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Japan Pledges Concessions To Help Bush on Economy

'It's Time We Reward the Friendship'

By T. R. Reid and Paul Blustein
Washington Post Service

TOKYO — Prime Minister Kiichi Miyazawa made it clear Monday that he intended to follow the Japanese custom of offering gifts to guests when he plays host this week to President George Bush.

At a press conference with American reporters on the eve of Mr. Bush's arrival, Mr. Miyazawa said Japan would do its utmost to help by offering trade and economic concessions that could assist Mr. Bush in reviving the sputtering U.S. economy.

"It's over 40 years that Japan has benefited from the friendship of the United States, and it's about time we reciprocate, we reward the friendship," the prime minister said as he offered a conciliatory preview of this week's summit meeting between the world's two richest nations.

Nicholas Brady, the U.S. Treasury secretary, is joining President Bush in Japan. Page 3.

Japan's Finance Minister, Tsutomo Hata, also had good news for Mr. Bush when he said Monday that Japan was pleased with the recent strengthening of the yen against the dollar. The trend makes U.S. goods cheaper here and should increase U.S. exports to Japan.

But the Japan Automobile Dealers Association threw a dash of cold water on the hospitality. At a news conference of their own Monday, leaders of the group said bluntly that increased sales here of American cars — one of the chief goals of Mr. Bush's visit — were unlikely unless U.S. automobile makers produce smaller and more fuel-efficient vehicles.

Mr. Bush arrives in Japan from Seoul, where he reaffirmed the U.S. commitment to the security of South Korea on Monday before ending a two-day visit.

As a gesture to North Korea, Mr. Bush said that he and President Roh Tae Woo of South Korea would cancel this year's joint U.S.-South Korean military exercise if North Korea agreed to open its nuclear facilities to international inspection.

Mr. Bush, who is accompanied by a delegation of 21 leading U.S. corporate executives, will stop in Kyoto on Tuesday before holding talks with Mr. Miyazawa in Tokyo on Wednesday.

At his press conference, Mr. Miyazawa said a key area where he expects to act will involve trade policies that could help the U.S. increase imports, thus offsetting the $40 billion trade deficit with Japan that Mr. Bush has made the prime target of his meetings here.

"If the efforts are not enough on our part we will rectify what faults we have," Mr. Miyazawa said.

He said Japan would do more to support international research products. Mr. Bush is expected to ask the Japanese for a large contribution to the Superconducting Supercollider, a huge research center under construction in Texas.

Signs have also emerged — including Mr. Hata's comment Monday — that Mr. Bush and Mr. Miyazawa may nudge the dollar lower against the yen, perhaps by stating their approval of the recent decline in the U.S. currency.

Mr. Miyazawa, 72, said it would serve his political interests at home to be accommodating to his American visitors this week.

"What I am going to do, what I can do to help

See BUSH, Page 3

Case Study of Big 3 Failure

Many Fault U.S. Automakers for Shortsightedness

By David E. Sanger
New York Times Service

TOKYO — When President George Bush and the chairmen of General Motors, Ford and Chrysler arrive Tuesday to cite the dismal sales of American cars in Japan as a symbol of what is wrong with Japan, they may meet a rude surprise: Tokyo is preparing to cite the same example to make its case about the shortsightedness of American business.

For years, the Big Three automakers have been the most conspicuous case of what happens to companies that try to sell in Japan exactly the same products they sell in America, with few concessions to Japanese tastes, Japanese habits, or even the width of the roads.

With few exceptions, the American car giants have failed to make the kinds of large investments and commitments to new products that have brought modest success in Japan to some of Europe's leading carmakers, as well as other American companies such as IBM, Eastman Kodak and Motorola.

As a result, many Japanese — and more than a few American executives with long experience in Japan — are suggesting that Mr. Bush is coming with the wrong traveling companions, playing into Japan's argument that the problems facing the U.S. auto industry emanate largely from Detroit and Washington.

"The solution is straightforward," Yutaka Kume, the president of Nissan Motor Co. and the head of the leading trade group for Japanese automakers, said several months ago. "If the Big Three are to expand in the Japanese market, they first and foremost have to offer a car that is the right size and the right feel for Japanese consumers. They have to improve their marketing."

Most important, he said, "they have to realize that no one else will help them sell while they are sitting on their hands."

Few question that numerous trade barriers remain in the automotive market, particularly in auto parts, where Mr. Bush can present a strong case that many American companies have been unfairly excluded from the market.

[The minister for international trade and industry said Monday that Japan would probably have to set import targets for U.S. cars and car parts to satisfy American demands, but other ministry officials quickly denied the comments, news agencies reported.

["Our promise to make efforts alone cannot work," the minister, Kozo Watanabe, said at a news conference. "The American and Japanese people would not be convinced unless we present concrete figures." One of Mr. Watanabe's vice ministers said the comment had been mistaken, however, and other ministry officials said they were not planning specific import targets, and certainly not binding ones.]

Even those American business executives and diplomats who complain about the obstacles to doing business in Japan say they have a hard time working up much sympathy for the Big Three, even if three-fourths of the trade deficit with Japan has

See CARS, Page 10

GM's Cuts 'Mean Nothing'

By Warren Brown and Frank Swoboda
Washington Post Service

WASHINGTON — When the directors of General Motors Corp. gathered near Washington for their quarterly meeting Dec. 9, Chairman Robert C. Stempel was ready for trouble. The world's largest automaker had been losing money since he took charge 17 months earlier, Wall Street was beginning to complain, and some directors had been privately contacting top company officials to urge that GM finally take decisive action.

One group of board members had been offering proposals for dramatic steps to stop the financial hemorrhaging that was beginning to threaten the company's credit rating.

But Mr. Stempel and his top lieutenants resisted. In the days that followed the meeting, GM's decision-making management committee, made up of Mr. Stempel and six others, considered a number of options, according to sources. One proposal, offered by activist directors, was to cut executive pay. Another was to eliminate product lines — or possibly even one of its five sacrosanct car divisions. Still another idea was to ask the United Auto Workers union to renegotiate its contract to give the automaker wage and benefit concessions.

But in the end, the management committee rejected all those suggestions and adopted a plan that, while draconian, mainly continued past policy. GM would close 21 North American plants and eliminate 74,000 jobs by 1995. That carried on GM's strategy of trimming the work force and plants to accommodate GM's shrinking share of the North American car and truck market, now at 35 percent, down from 45 percent a decade ago. But there was nothing in the plan announced Dec. 18, analysts said, that anticipated any comeback in the race for market share.

"And so what they came up with, essentially, was a plan that means nothing," said a former GM board member who asked not to be identified. "That plan does not address the real problems affecting GM, such as the big gap in the amount of man-hours that GM needs to make a car, versus

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Heidi Bradner/Reuters

Rebels waving the Georgian flag and firing in the air Monday to mark Mr. Gamsakhurdia's exit.

Georgian President Flees, Ending 2-Week Tbilisi Siege

By Michael Dobbs
Washington Post Service

TBILISI, Georgia — Worn down by a steady artillery barrage and deserted by many of his ministers, the Georgian president, Zviad Gamsakhurdia, fled his besieged parliament building early Monday, leaving behind a capital devastated by two weeks of intensive street fighting.

"Power in Georgia is in our hands," said Dzhabar Ioseliani, a leading member of the self-proclaimed Military Council that overthrew Mr. Gamsakhurdia eight months after he won a landslide election victory. "Until things calm down, and until democratic institutions take root in Georgia, we will keep power."

Opposition leaders said that Mr. Gamsakhurdia, accompanied by several dozen soldiers and aides, had headed southeast toward Azerbaijan and Armenia in a convoy of buses and armored cars.

The presidential convoy split up when it came under fire in Tbilisi, and several dozen soldiers as well as several pro-Gamsakhurdia legislators surrendered.

Azerbaijan's Turan news agency said 12 cars carrying Mr. Gamsakhurdia and his party first went to Gyandzha, Azerbaijan, about 160 kilometers (100 miles) southeast of Tbilisi. Reports from the Armenian capital, Yerevan, later said Mr. Gamsakhurdia had reached Idjevan, an Armenian border community.

Tass had reported that the Armenian president, Levon A. Ter-Petrosyan, had offered Mr. Gamsakhurdia political asylum.

[Tass issued a clarification late Monday, saying that the authorities in Armenia would grant only temporary refuge to Mr. Gamsakhurdia and would send his entourage back to Georgia, Agence France-Presse reported.

["Official Armenian circles are making it known that what is at issue is not the granting of political asylum to Zviad Gamsakhurdia, but temporary refuge," Tass said.]

The flight of Mr. Gamsakhurdia from the building where he had been holed up since Dec. 22 marks the culmination of a bitter struggle for power in this mountainous Caucasian republic. After ousting the Communists in parliamentary elections in October 1990, the victorious pro-independence leaders began squabbling.

A veteran dissident and human rights activist, Mr. Gamsakhurdia won 86.5 percent of the vote in presidential elections in May by presenting himself as the incarnation of Georgia's centuries-long

See GEORGIA, Page 3

U.S. Is Worried By Bonn's New Assertiveness

'We Have to Take Germans More Seriously,' Aide Says

By David Binder
New York Times Service

WASHINGTON — U.S. policymakers have become disquieted by what they discern as new assertiveness on the part of the German government and its willingness to flex its muscle in international relations.

The main cause of disquiet is Bonn's decision to push ahead in the Yugoslav crisis with recognition of Croatia and Slovenia, rebuffing pleas of the United States, the United Nations and other European governments to remain in the previous framework of European Community peace efforts. It was the most striking display of German assertiveness in foreign policy since German reunification in October 1990.

The European Community's approach had consisted of negotiations among the leaders of the six Yugoslav republics under the auspices of the 12-member Community, augmented by a UN mission headed by Cyrus R. Vance, to seek a general cease-fire and the deployment of peacekeeping troops.

But the German approach, started in the early autumn by Foreign Minister Hans-Dietrich Genscher, focused solely on diplomatic recognition of Croatia and Slovenia, both of which had declared their intention to secede from the Yugoslav federation in June.

Describing the German approach, the weekly Der Spiegel said, "It was the first time since 1949 that Bonn took a unilateral action in foreign policy." The Federal Republic of Germany was founded in that year.

A senior U.S. State Department official, "uneasy" about the new German stance for six months, said, "I really am bothered about it, personally."

He said Germany's new assertiveness "is going to be difficult for us to stomach."

"There is no question that we have to take the Germans more seriously than they have been," he said.

He and other administration officials concerned with Germany said they were worried less about the fact of the German initiative on Yugoslavia than about "the strong-arm tactics," as one put it. A second official said he was disturbed by "the style — that we are right and the rest of you should follow us" displayed by Mr. Genscher in the Brussels deliberations.

These officials were also disturbed by Chancellor Helmut Kohl's boast, after the Brussels meeting, that it was "a great victory for German foreign policy."

A State Department official, noting the German word *Sieg*, for victory, commented, "Kohl may have proclaimed the first German Sieg since 1945."

U.S. administration officials contend that Bonn has also become more muscular on trade and financial issues, notably by sidestepping a U.S. request to help in persuading France to agree to reduce Europe's high agricultural subsidies and by raising interest rates last month without regard to effects on its trading partners.

Several officials recalled that they had expected the tone in U.S.-German relations to be set for some years by President George Bush's invitation in a speech in May 1989 in Mainz to the Kohl government to join "a partnership in leadership." That was less than six months before the fall of the Berlin Wall and the opening of the path toward German reunification.

"We saw it as a matter of working side by side," one administration official recalled. "The Germans have something else in mind, more a division of labor, a partnership à la carte." He noted that except for contributing to the costs of the allied forces in the Gulf war, the Bonn government stayed aloof, even when its North Atlantic Treaty Organization partner, Turkey, was threatened by Iraq.

A senior administration official commented that he saw "a potential for triumphalism" in the new German actions.

After a national overdose of Sieg propaganda by the Nazis, including Hitler's repeated predictions of an *Endsieg* or "final victory" right up until his suicide in April 1945, Germans in general and German politicians in particular tended to shun proclamations of "victory" except in sports. In place of Sieg, they employed the more anodyne expression, *Erfolg*, which means "success" as well as "victory."

Robert Gerald Livingston, a retired American diplomat who has specialized in German affairs for four decades, remarked, "Speaking of Sieg would bother me if it became a constant in German politics."

But Mr. Livingston, the director of the American Institute for Contemporary German Studies at Johns Hopkins University in Baltimore, said of the Kohl government's assertiveness: "I think it is less muscle-flexing than the consequence of passion, even an obsession, for order. What they see in Eastern Europe and beyond is chaos and anarchy. It disturbs them on the political level and on the emotional level, the fear that unwashed

See GERMANY, Page 2

Spain Waking to Cracks in Dream of Democracy

By Barry James
International Herald Tribune

MADRID — In a country that prides itself on having thrown off the shackles of Francoism, the dream of democracy is falling short.

Compared to a generation ago, when it was isolated and reactionary, Spain can boast of a vibrant democracy. But it is one weakened by a high level of corruption, tenacious authoritarian attitudes, divisions in the governing Socialist Party and an ineffectual opposition.

There is a pervasive cynicism about the governing Socialist Party, in power 10 years.

Many voters share the dilemma described in a recent cartoon by Juan Ballesta in the magazine Cambio 16: "I don't know who to vote for, so I shall vote for the Socialists." In short, they doubt that anyone else would do much better.

Spaniards are disappointed in the party, judging by its electoral losses last year in three major cities, Madrid, Seville and Valencia. Many erstwhile supporters say the Socialists have become sleek and remote, courted by bankers, industrialists and beautiful people, but heedless of its roots in the working class.

Indeed, the increasingly aloof party leader, Prime Minister Felipe González, 50, has put aside his boy-next-door image for elegant suits and silk ties. The magazine Madrid describes him as a Gaullist.

Carlos Solchaga Catalán, the minister of the economy and finance, has acknowledged in the Cortes, or parliament, that the political class in Spain does have a poor image. "It is our fault," he said.

"We achieved a free society," said Ludolfo Paramio, a former Socialist Party militant in a recent newspaper interview, "but one that was totally different from what we had imagined and for what we had fought. We see an upsurge of neo-liberalism and the new right. There is liberty for all, but especially for those who can afford to pay for it."

José Maria Aznar, president of the opposition right-of-center Popular Party, says corruption extends throughout many sectors of society but asks of the Socialists: "What remains of that famous ethical spirit they spoke about so much in 1982?"

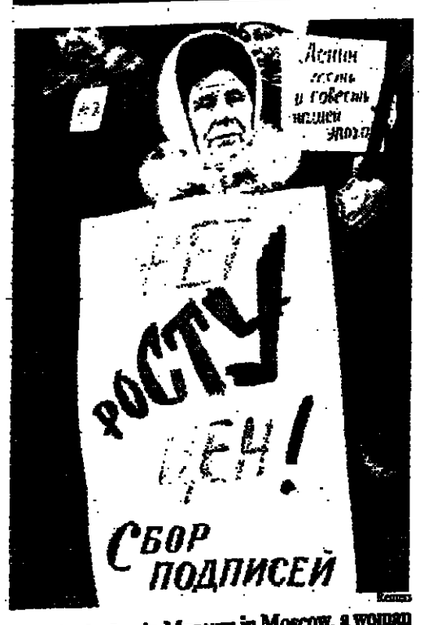
Even the studiously apolitical King Juan Carlos I has spoken out against corruption. So has the retired primate of Spain, Cardinal Vicente Enrique y Tarancon, a man of immense prestige because of his role in the peaceful transition to democracy after the death of Franco in 1975.

So how corrupt is Spain? According to Juan Pablo Fusi Aizpurua, professor of modern history at the Complutense University in Madrid and former director of

See SPAIN, Page 2

A Mortgage on Success

Second of five articles



Reuters

Outside the Lenin Museum in Moscow, a woman with a sign reading 'No increase in prices' protested recent free-market measures in Russia.

The New Arbat Has a Taste of Success

Employee-Owned Moscow Grocery Features Cleanliness and Short Lines

By Margaret Shapiro
Washington Post Service

MOSCOW — Last week, while many stores here were filled with little more than mud from the boots of countless frustrated shoppers, one grocery on a busy downtown street was offering high-priced Polish ham, several types of salami, eggs, butter, soda, sour cream, smoked salmon, fresh fish, beer, wine, pizza, cookies and fresh, if fatty, pork chops.

"I last saw such a variety two years ago," marveled one woman as she surveyed the salami counter, trying to decide which kind to buy and how much she could afford at the steep prices demanded by the New Arbat Gastronome.

Three months ago, the Moscow city government gave the store's president, Leonid Semenov, and only one other shopkeeper, permission to experiment with unregulated prices at his supermarket on New Arbat Street in downtown Moscow.

Now this grocery store is what President Boris N. Yeltsin and his advisers hope will emerge from the rubble of the controlled economy and from the shock therapy of freed prices that was instituted in Russia last week. Several other republics of the former Soviet Union also ended decades of price controls and subsidies last week, and others are expected to do so in the coming days.

Mr. Semenov's operation is no Western grocery store. Vegetable oil, cheese, coffee, appetizing fruit and vegetables, and a legion of other items that Westerners would expect to see in a market were not on sale. Some display cases had very little in them; the only fresh meat was the pork.

But compared with virtually any other store in Russia, including those still-extant "special stores" set up long ago for Communist Party officialdom, this establishment — with its cheery red-and-white-striped awnings, basic cleanliness, well-lit interior, relatively plentiful supply of basics and relatively short lines — is extremely unusual.

The reason is that the grocery has been able to run more or less on a for-profit basis for three months. Mr. Semenov — who after 30 years inside the Soviet food system was sick of the inefficiency of state-run stores — attracted goods from farms and meat producers by paying more than the government did and selling them at prices well above those in state stores.

Unlike the state stores, Mr. Semenov said, "we now have a line of suppliers wanting to sell to us, because we offer a good price and they know we promote their goods in the best way possible."

While the store still gets much of its food through the state distribution system, an entire section of employees is now devoted to making private connections with suppliers and arranging contracts for goods and transportation. Even with price liberalization, however, the store is allowed to add only 25 percent to the price of food that it receives from its suppliers.

Despite the higher prices — a pound of ham, for instance, cost the equivalent of an average worker's monthly salary, and a package of butter was about half that — the New Arbat grocery has plenty of customers; the store's December turnover equaled half of its total for 1990.

The mentality at the store also is quite

See MARKET, Page 3

Kiosk

U.S. Supports Israeli Censure

UNITED NATIONS, New York (Reuters) — The Security Council, with full U.S. backing, on Monday strongly condemned Israel's decision to deport 12 Palestinian activists from the occupied territories.

The United States had announced earlier that it would support the resolution condemning the deportation order, a move that could pave the way for a resumption of Middle East peace talks.

Earlier article, Page 4

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Crossword Page 12.

Silicone Implants: U.S. Urges a Curb

Compiled by Our Staff From Dispatches

WASHINGTON — The Food and Drug Administration asked American doctors on Monday to stop using silicone gel breast implants until an advisory panel can assess new information on their safety.

The agency's action fell short of the outright ban on silicone gel implants that critics had sought.

"We want surgeons to stop using these implants in patients until this new information can be thoroughly evaluated," the commissioner of the agency, Dr. David Kessler, said.

Dr. Kessler also asked makers of the products to stop distribution until the agency's advisory panel on plastic surgery devices could meet to consider the new safety data.

According to agency figures, 2 million women have received silicone gel breast implants, and 150,000 of the devices are implanted annually. About 80 percent are for cosmetic purposes, with the rest used to reconstruct breasts removed as the result of disease or injury.

The agency has received about 2,500 reports of illnesses or injuries associated with the implants, which are marketed in the United States by Dow Corning Wright Co., which is jointly owned by Dow Chemical Co. and Corning Inc.; Bioplasty Inc.; Mentor Corp., and McGhan Medical. *(AP, Reuters)*

The Faces of the Homeless in Europe Are Becoming Younger

By William E. Schmidt
New York Times Service

LONDON — Just before midnight, an unmarked Salvation Army van pulled up to the curb outside Euston Station and a trickle of tattered men and women edged cautiously from the shadows around the railroad terminal, hunched against the biting winter air.

There were, in all, about 30 of them, many wrapped in blankets. Most were young, in their early 20s, a few smelling sharply of alcohol.

As they formed a ragged line to collect their ration of sandwiches and soup and steaming tea, one man, a mute, leaned into a Salvation Army volunteer, his eyes wide as his hands chopped the air in a frenzy of sign language, trying to make himself understood.

A bearded companion intervened, explaining that his friend's sleeping bag had been stolen. Could he have some blankets to help him make it through the night?

He was given blankets, plus a chit that entitled him to collect a free sleeping bag the next day from a Salvation Army warehouse.

The young, the infirm, the mentally ill, the alcoholic, the immigrant — they are among the faces of the homeless, people who are to be seen on the streets of London, Paris, Amsterdam, Madrid and Rome, as well as in smaller cities across Europe.

"One of the biggest changes are the numbers of young people, not just in London but in small towns, too, in Basingstoke and Eastbourne, Croydon and Hastings on the coast," said Major Robert McClenahan, a Salvation Army officer who regularly makes the midnight soup runs around the capital.

Homelessness in Europe does not appear to have reached the grim proportions familiar to New York, Washington and many other American cities. But the romanticized image of the *clochard*, the footloose European vagabond, has been supplanted by a more Dickensian scene, of thousands of people — many of them sick, some of them immigrants, most of them without work or hope — who sleep in doorways, parks, underground parking garages or cramped shelters in which whole families must share a single room.

Still, the precise scale of homelessness in Europe is difficult to judge, and numbers and impressions vary widely.

In Berlin, government officials argue that a growing population of homeless reflects a temporary dislocation, as soaring rents in Eastern Berlin drive people from their homes. The number of homeless will be reduced, government officials insist, once people from the East figure out how to apply for welfare benefits intended to keep them off the streets permanently.

In London, the Salvation Army estimates that there are as many as 2,000 people sleeping on the streets on any one night — more than double the government's tally. The Salvation Army says that this is about the same number that charity workers counted in 1904, when the population of London was only slightly smaller than it is now, or about 6.8 million.

In addition, the Salvation Army counts 18,000 single people in hostels and shelters run by churches or charity organizations and 30,000 illegal squatters in London alone.

In Paris, the Salvation Army estimates the homeless population at 15,000 to 20,000, including those in shelters, or just under 1 percent of the city population of 2.2 million.

Madrid, with a population of 3.5 million, has an estimated 5,000 to 10,000 homeless people, most of them sleeping on the street.

Catholic charities in Rome count about 6,500 street homeless among the city's 2.8 million people.

Much of the problem is due to a steep decline in the stock of low-cost rental housing in many European capitals, coupled with the consequences of a weak global economy that has exacted a heavy toll in jobs and in lost income.

But, according to some experts, the numbers of poor and mentally ill on European streets are also a measure of another phenomenon: a slow but gradual deterioration in the historically strong web of family, church and government support systems that have traditionally afforded the poor and the vulnerable in Europe a much wider safety net.

While officials in Italy say a strong sense of church and family makes homelessness less a problem there than in the United States, they are troubled by a sharp increase in the number of people under the age of 18 seeking meals and beds at church missions.

"It is a bad sign indicating the strength of the Italian family is beginning to wane," said Francesca Zuccari, a volunteer worker who wrote a booklet for the homeless in Italy titled "Where to Eat, to Sleep, to Wash," distributed from the St. Egidio Community Center in Trastevere.

Government officials in France, Britain and elsewhere contend that they have increased spending on programs for the homeless. The British government has set aside more than $186 million for the next three years to build shelters for homeless, and the French are spending about $37 million a year on similar social services.

In Rome, the city government provides about $4.3 million annually, or about 40 percent of the cost to Catholic charities of providing twice-daily meals and changes of clothing for the city's poor and homeless.

Adrian Popescu/Agence France-Presse

A HELPING HAND — An elderly couple stopping Monday to aid a fugitive orphan who has been hiding in a Bucharest sewer. He and other homeless sleep in the sewer and live on handouts.

French Clergy Aided Fugitive

Archbishop's Panel Finds Churchmen Hid War Criminal

International Herald Tribune

PARIS — After asking for "the truth no matter what it costs," the archbishop of Lyon received a damning report on Monday from a panel of historians who said that high-level Roman Catholic clergy had for almost 45 years helped one of France's most notorious suspected war criminals evade justice.

The eight-man commission said monks, priests and bishops had helped conceal Paul Touvier, 76, the chief of the pro-Nazi militia in Lyon during World War II, who was sentenced to death in his absence after the war for crimes against humanity.

Mr. Touvier was arrested in May 1989 at a monastery in Nice run by followers of the ultratraditionalist Archbishop Marcel Lefebvre. His arrest raised questions about the links between the church and the collaborationist Vichy regime.

A month after the arrest, Cardinal Albert Decourtray, the archbishop of Lyon, ordered the commission to dig up the facts about the concealment of Mr. Touvier.

Cardinal Decourtray said he was confused and saddened by the report. He said it showed that some members of the clergy had put "a certain kind of charity" before the demands of truth and justice.

But the cardinal added that the report showed that the church as an institution had not been involved, even though Mr. Touvier had been helped by a number of church people acting in concert.

René Rémond, the head of the commission, which made its report public on Monday, said Mr. Touvier had aroused the sympathy of a surprisingly large number of Roman Catholic clergy, many of whom gave him money and shelter and organized petitions on his behalf.

"Some of his defenders saluted him as being the victim of a conspiracy by the eternal enemies of the true faith: Freemasons, Jews, Communists, democrats — everything that Touvier swore he was fighting," the report said.

One of the highest-ranking churchmen identified in the report was Charles Duquaire, secretary to Cardinal Jean Villot, who was the Vatican secretary of state.

Cardinal Villot wrote to President Georges Pompidou in 1970 asking for clemency, and the president quietly pardoned Mr. Touvier in 1971, despite the fact that he been sentenced to death for his activities at the side of the Lyon Gestapo chief, Klaus Barbie.

When news of the pardon became public, there was such an uproar that new charges were prepared. Mr. Touvier, in ill health, was freed on bail last July and now awaits the decision of a court next month on whether he is to stand trial.

Mr. Barbie was sentenced to life in prison, where he died in September 1991. Two other Frenchmen have been charged with crimes against humanity but have yet to be brought to trial. They are René Bousquet, the head of the national police during the Nazi occupation, and Maurice Papon, a former budget minister, who was the highest-ranking police officer in the Bordeaux region during the war.

Gabriel Marcel, a lay Christian philosopher, was instrumental in getting Mr. Touvier's pardon reversed after uncovering evidence that Mr. Marcel said pointed to evidence that the fugitive had personally presided over the massacre of seven Jews and taken part in other atrocities.

The report indicated that Mr. Touvier had found support in a surprisingly large swathe of church institutions, from the conservative Lefebvre supporters to mainstream Catholic groups such as Benedictines, Jesuits and Dominicans. The report said the French Catholic charity, Secours Catholique, paid a monthly stipend to Mr. Touvier up to the time of his arrest.

It said the church people who had helped Mr. Touvier saw him not as someone who had allegedly committed reprehensible crimes but as a martyr in a just cause.

While taking a factual rather than a judgmental approach, the report regretted that there were so few people in the church who, like Mr. Marcel, had been able to reject the idea that "devotion replaces intelligence."

— BARRY JAMES

Socialists in France to Swap Jobs

Reuters

PARIS — The governing Socialist Party plans a "straight swap" in its leadership in an attempt to revive the sagging fortunes of President François Mitterrand and his deeply unpopular government, party sources said Monday.

Former Prime Minister Pierre Mauroy, 63, will announce his resignation as first secretary of the party on Tuesday and propose Laurent Fabius, 45, the parliament speaker and a close Mitterrand confidant, as his successor.

A senior Socialist source said: "It will be a straight swap. Fabius will take the party and Mauroy the National Assembly."

Political analysts said the change of generation signaled the start of a counteroffensive by Mr. Mitterrand aimed at overcoming widespread public disenchantment and avoiding a debacle in parliamentary elections next year.

Opinion polls show that the Socialists have the support of only one in five voters. Mr. Mitterrand's personal approval rating hit a low in December and has revived only slightly. It stood at 35 percent in the latest opinion poll.

Prime Minister Edith Cresson is even more unpopular. Only one in four trusts her, the polls show.

Party officials have all but written off regional elections in March, which they expect to be disastrous for the Socialists. But they believe a younger, more open image can turn around public opinion before parliamentary elections, which must be called before June 1993.

Socialist sources said that Mr. Fabius's nomination to lead the party was a result of an agreement with former Prime Minister Michel Rocard, under which Mr. Fabius would back Mr. Rocard as the party's candidate in the next presidential election, due in 1995.

They said the agreement appeared to reduce the chances of Jacques Delors, president of the EC Commission, of winning the Socialist presidential nomination.

Polls show that Mr. Delors is the most popular Socialist politician, but he lacks a power base in the party.

WORLD BRIEFS

Ex-Mayor Denies Prison Sex Charge

WASHINGTON (AP) — The former mayor of Washington, Marion S. Barry Jr., has denied that a woman performed oral sex on him in an inmates' visiting room. He called the prisoner who reported the alleged incident a "professional liar."

"If it had happened to me I'd have been locked up now," Mr. Barry said in a telephone interview from prison late Sunday with a television station. He suggested that if the incident had occurred he would face tighter restrictions and would not be allowed to make telephone calls.

Earlier, a spokesman for the U.S. Bureau of Prisons confirmed that the authorities were still investigating the allegations brought by Floyd Archer Robertson 3d, a former inmate at the minimum security prison at Petersburg, Virginia, where Mr. Barry is serving a six-month sentence for cocaine possession.

2 IRA Car Bombs Damage Belfast

BELFAST (Reuters) — Two IRA car bombs exploded in the center of Belfast on Sunday night and Monday, causing extensive damage estimated in the millions of pounds, the police said.

The Irish Republican Army planted a 270-kilogram (600-pound) bomb in a stolen van outside an office building on Sunday night. Several banks and insurance offices were badly damaged, and the roof of a nearby bowling alley collapsed from the impact of the blast. About a dozen British troops and police officers were slightly injured trying to evacuate the area.

On Monday, the IRA set off a 230-kilogram bomb in a stolen postal van in the city center. No injuries were reported. The IRA gave less than 30 minutes' warning before each bomb.

Robbers Killed Britons, Savimbi Says

ABIDJAN, Ivory Coast (Reuters) — Jonas Savimbi, the Angolan opposition leader, said Monday that his former followers were not responsible for the deaths of four British travelers killed in an ambush.

Mr. Savimbi, at a news conference in Ivory Coast, blamed robbers for the attack, which occurred near a base where thousands of former rebels are confined. But Mr. Savimbi, the head of the National Union for the Total Independence of Angola, said he did not think it was wise for foreigners to travel in Angola, which has just ended a 16-year civil war.

Seven Britons were traveling in overland vehicles when they were attacked in Angola's southern Huila Province on Friday night. Four, including a doctor, were killed. In London, the Foreign Office said Britain asked Angola on Monday for a full investigation into the killings.

Argentina Seeks Falkland Resolution

BUENOS AIRES (AFP) — Argentina has informed Britain that it would like to submit their dispute on sovereignty over the Falkland Islands to international arbitration, a British diplomat said Monday.

Greg Faulkner, a minister counselor and chargé d'affaires of the British Embassy, told a Buenos Aires radio station that Foreign Minister Guido Di Tella had "given me an explanation which I have transmitted to my government and I await the outcome of that action." But he added that London "considers it advisable to maintain the well-known formula on sovereignty, which has been a very successful basis for our relations during the past two years."

Court Finds Ex-Mayor of Nice Guilty

GRENOBLE, France (AP) — Jacques Médecin, the former mayor of Nice who fled to Uruguay to escape arrest for corruption, was barred for life from holding public office in France and received a one-year prison term in absentia.

The court found him guilty of misusing public funds. He also was ordered to pay about 2.5 million francs ($480,000) in fines and civil damages. Mr. Médecin has been living in South America. He forfeited all rights of appeal by being absent.

Mr. Médecin resigned in September 1990 after 24 years as mayor of the Riviera city.

Admiral Defies Ukraine on Oath

MOSCOW (AFP) — The No. 2 admiral of the Black Sea Fleet said Monday that fleet personnel would not be bound by the Ukrainian government decision to require the swearing of an oath of allegiance, Tass reported.

The agency quoted Admiral Ivan Kapitanets as saying the Ukraine's taking control of the formerly Soviet fleet ran contrary to accords signed in Minsk by the presidents of the 11 republics of the Commonwealth of Independent States.

Correction

Because of an editing error, an article in the Dec. 27 editions incorrectly characterized the influential society Memorial, a progressive group active in Russia. Memorial has no relationship with the reactionary group Pamyat.

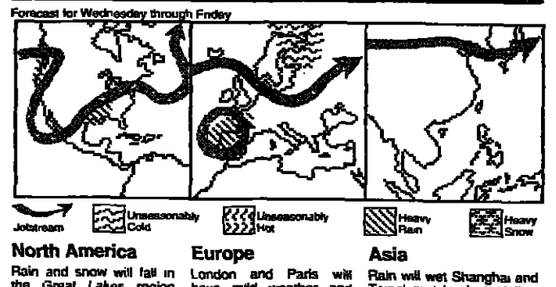
TRAVEL UPDATE

Passengers on SAS face delays and cancellations this week due to a dispute between pilots and management, news reports said Monday. The pilots refuse to work more than 42 hours per week, while SAS demands that they work up to 46 hours and 35 minutes, the reports said. *(AP)*

Pochentong Airport, Cambodia's international airport in Phnom Penh, is a disaster waiting to happen, according to a UN study that urgently recommends $2.5 million just to get the control tower working properly. The UN Development Program study said the airport had no radar, no runway lights or rotating beacon, no fire equipment, no visual landing aids and no emergency power supply during the electricity cuts that are frequent in Phnom Penh. *(AFP)*

The Weather

Forecast for Wednesday through Friday



North America
Rain and snow will fall in the Great Lakes region Wednesday and Thursday. Rain may begin in New York City Thursday. In rain-weary Texas, showery weather is likely at midweek. It will be mainly dry in California, possibly windy in the south.

Europe
London and Paris will have mild weather and showers Wednesday, then dry, cooler weather is likely by the end of the week. A storm off the coast of France will bring locally heavy rains to northwestern Spain and western France later this week.

Asia
Rain will wet Shanghai and Taipei and begin to fall in western Japan Wednesday. It could shower in Tokyo Thursday, and showers are also possible in Hong Kong at midweek. Seoul will be mainly dry. Hit-or-miss thunderstorms will soak Singapore daily.

Europe

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Algarve	16/61	8/46	pc	16/61	8/46	s
Amsterdam	9/48	5/41	sh	9/48	5/41	r
Ankara	4/39	-6/22	pc	6/43	-8/22	pc
Athens	13/55	1/34	s	15/59	1/34	s
Barcelona	14/57	4/39	s	15/59	4/39	s
Belgrade	5/43	-4/25	s	7/44	-4/25	s
Berlin	3/37	0/32	sn	8/46	3/37	sh
Brussels	10/50	5/41	sh	10/50	5/41	sh
Budapest	4/39	-3/27	pc	4/39	-3/27	pc
Copenhagen	7/44	1/34	sh	6/43	1/34	r
Costa Del Sol	18/64	8/46	s	19/66	8/46	s
Dublin	11/52	5/41	r	10/50	5/41	r
Edinburgh	10/50	4/39	r	9/48	5/41	r
Florence	12/53	4/39	s	13/55	4/39	s
Frankfurt	9/48	2/35	c	9/48	2/35	sh
Geneva	10/50	1/34	pc	9/48	1/34	c
Helsinki	3/37	-1/31	sn	2/35	-2/29	sn
Istanbul	6/43	1/34	pc	8/46	1/34	pc
Las Palmas	19/66	11/52	s	19/66	11/52	s
Lisbon	17/62	9/48	c	17/62	9/48	c
London	11/52	6/43	sh	10/50	3/37	r
Madrid	12/53	3/37	s	13/55	3/37	s
Milan	10/50	3/37	pc	11/52	3/37	pc
Moscow	1/34	-2/29	c	1/34	-2/29	sn
Munich	9/48	1/34	pc	9/48	1/34	c
Nice	12/53	5/41	s	13/55	5/41	s
Oslo	2/35	0/32	c	2/35	0/32	sh
Paris	10/50	4/39	sh	11/52	4/39	sh
Prague	8/46	0/32	c	7/44	0/32	c
Reykjavik	0/32	-5/24	sl	0/32	-5/24	pc
Rome	11/52	2/35	s	13/55	3/37	s
St. Petersburg	2/35	-2/29	sn	2/35	-2/29	sn
Stockholm	2/35	0/32	r	2/35	0/32	r
Strasbourg	11/52	5/41	c	11/52	5/41	c
Tallinn	3/37	0/32	sn	2/35	-1/31	sn
Venice	11/52	3/37	s	12/53	3/37	s
Vienna	4/39	-3/27	pc	4/39	-3/27	pc
Warsaw	7/44	2/35	sh	6/43	2/35	c
Zurich	6/43	-2/29	pc	7/44	-2/29	c

Middle East

Beirut	13/55	4/39	s	14/57	4/39	s
Cairo	18/61	7/44	s	14/57	7/44	s
Damascus	14/57	3/37	s	16/61	4/39	s
Jerusalem	14/57	6/43	s	13/55	4/39	s
Riyadh	17/62	2/35	s	19/66	3/37	pc

Oceania

Auckland	21/70	11/52	pc	22/71	12/53	pc
Sydney	24/75	17/62	pc	25/77	17/62	pc

Asia

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Bangkok	29/84	22/71	pc	30/86	23/73	pc
Beijing	0/32	-6/22	pc	1/34	-6/22	pc
Hong Kong	18/61	12/53	pc	19/61	11/52	pc
Manila	30/86	22/71	pc	31/88	23/71	pc
New Delhi	19/66	6/43	pc	19/66	10/50	pc
Seoul	3/37	-6/22	pc	2/35	-4/25	pc
Shanghai	7/44	1/34	pc	6/43	0/32	s
Singapore	30/86	21/70	sh	31/88	22/71	pc
Taipei	17/62	13/55	pc	16/61	11/52	pc
Tokyo	9/48	1/34	pc	10/50	2/35	pc

Africa

Algiers	16/61	4/39	s	16/61	-1/31	s
Cape Town	29/84	16/61	pc	31/88	16/61	pc
Casablanca	21/70	11/52	pc	21/70	11/52	s
Harare	27/80	11/52	pc	27/80	11/52	pc
Lagos	28/82	21/70	pc	28/82	21/70	pc
Nairobi	26/79	12/53	pc	26/79	12/53	pc
Tunis	19/66	8/46	s	19/66	8/46	s

Latin America

Buenos Aires	29/84	17/62	pc	30/86	17/62	pc
Caracas	30/86	23/73	pc	30/86	23/73	pc
Lima	26/79	20/68	pc	26/79	19/66	pc
Mexico City	23/73	5/41	pc	23/73	17/62	pc
Rio de Janeiro	31/88	22/71	pc	30/86	23/73	pc
Santiago	29/84	17/62	pc	30/86	17/62	s

North America

Anchorage	-3/27	-7/20	sl	-4/25	-11/13	s
Atlanta	14/57	5/41	pc	15/59	8/46	pc
Boston	7/44	-3/27	pc	4/39	-1/31	pc
Chicago	4/39	0/32	c	4/39	-2/29	r
Denver	3/37	-7/20	sl	2/35	-9/16	sl
Detroit	4/39	-3/27	c	4/39	1/34	r
Honolulu	27/80	20/68	pc	28/82	21/70	pc
Houston	19/66	12/53	sh	19/66	8/46	c
Los Angeles	17/62	9/48	s	15/59	7/44	s
Miami	24/75	17/62	pc	24/75	21/70	s
Minneapolis	2/35	-2/29	c	0/32	-11/13	sn
Montreal	0/32	-6/22	sl	-6/22	-14/7	s
Nassau	24/75	19/66	pc	27/80	20/68	pc
New York	9/48	1/34	pc	6/43	2/35	s
Phoenix	14/57	4/39	pc	16/61	4/39	s
San Fran	13/55	5/41	pc	14/57	7/44	pc
Seattle	7/44	4/39	r	8/46	4/39	c
Toronto	-1/31	-7/20	pc	3/37	-2/29	pc
Washington	11/52	0/32	s	9/48	2/35	pc

Legend: s-sunny pc-partly cloudy c-cloudy sh-showers, t-thunderstorms, r-rain sf-snow flurries, sn-snow, i-ice
All maps, forecasts and data by AccuWeather, Inc.© 1992

GERMANY: *U.S. Is Worried by New Assertiveness*

(Continued from page 1)

and unwanted immigrants are going to pour in."

While Germany's EC colleagues initially seemed to oppose recognition of Croatia and Slovenia, in December at a meeting in Brussels the 11 other foreign ministers bowed to Mr. Genscher's insistence that they proceed with diplomatic recognition of the two breakaway republics. Recognition will take place formally on Jan. 15.

The new Bonn stance is acknowledged somewhat gingerly by German officials, who talk of Germany, with its population of 78 million, as having "larger responsibilities." Those responsibilities clearly involve speaking out more forcefully when it appears that German interests are affected.

Thus when the United States sent a note to Germany and the other EC members warning them of the dangers of early recognition of Croatia and Slovenia, Bonn officials complained sharply to American diplomats that they were being singled out for criticism.

"There is not any question that they were unhappy," an administration official observed.

Last month, reacting to press reports suggesting that Germany had been less than scrupulous in trying to prevent the spread of weapons of mass destruction, Jürgen Ruhfus, ambassador to the United States, pointedly rejected the criticism in an opinion piece in The Washington Post. Such a public defense by a German diplomat would have been scarcely thinkable a few years ago.

German diplomats, strongly defending their government's actions in all fields, said this week that no one in the administration had indicated concerns to them about either the style or the substance of Bonn government actions in international affairs.

But a senior administration official remarked, "German foreign policy has seldom been known for its nuance or its feathery touch. The issue is whether the Germans understand that they have to be a little less Germanic."

A State Department specialist on Germany said, "On nice days I call it 'assertiveness.' On not so nice days, it's 'a more bullheaded Germany.'"

The Kohl-Genscher approach to the Yugoslav crisis and other international issues has drawn considerable support in the German press, with the exception of Süddeutsche Zeitung and Der Spiegel.

Last week, Der Spiegel reported that President Richard von Weizsäcker also had misgivings about the government policy toward Yugoslavia. In his New Year's address to the nation, Mr. von Weizsäcker said there were "some concerns abroad about new German might," and he cautioned against seeking "a special role for us."

20 Killed in Rio Flooding

The Associated Press

RIO DE JANEIRO — At least 20 people were killed and dozens were left homeless in high winds and flash flooding in greater Rio over the weekend.

A Guide to Not-So-Much Fun in the Sun

Reuters

LONDON — A British consumer group is warning tourists heading for the sun to beware of sleazy sex beaches and open sewers in a guide to the world's worst holiday resorts.

The Consumer Association, an influential British group that evaluates products and services, has published a list to be issued Tuesday of nine resorts to avoid from the Mediterranean to Southeast Asia.

Among the places mentioned were Pattaya in Thailand, described as a close second to Bangkok as "world capital of sleaze," and Nabeul in Tunisia, where the beach was "filthy, strewn with litter and bordered by stinking open sewers."

Sunny Beach in Bulgaria got a mention as a "barrack-like" resort invaded by prostitutes, drug-dealers and gangs of marauding youths who prey on vacationers.

The holiday guide, based on letters from readers of the association's consumer advice magazine, also singled out El Arenal in Majorca for overcrowding, Turkey's Gumbet as "scruffy" and Kanoni in Corfu, said to be too close to a noisy airport runway.

Other prize winners were France's La Grande-Motte, a bleak 1960s holiday development, "ugly" Quarteira in the Portuguese Algarve, and Gzira, described as the "worst slum in Malta."

SPAIN: *Cracks Begin to Appear in Dream of Democracy Amid Widespread Corruption and Cynicism*

(Continued from page 1)

the National Library, it is probably no worse than in Italy.

But that the government is widely regarded as being corrupt is disappointing, Mr. Fusi said, "because we believed that under the Socialists this would not happen. We expected a moralization of public life."

Many Spaniards, who are among Europe's most highly taxed citizens, might turn a blind eye to corruption if the government provided better services.

"The quality of life in our country does not correspond even remotely to the rampant fiscal pressure on the middle class," said Pedro J. Ramirez in a book about the Socialist government, "The Rose and the Bud."

Spain's best-known philosopher, Fernando Savater, said the Socialist Party was its own worst enemy, with internal cracks becoming increasingly evident.

Nevertheless, he said, the time of coups d'état is definitely over in Spain, and political disputes "are within the democratic system and not against it."

The comic opera attempt at a military coup in 1981 — stopped largely by the moral authority of Juan Carlos — is seen in retrospect as the last gasp of discredited caudillismo.

Since then the army has been professionalized and given a new role within NATO. But many Spaniards are worried that old authoritarian attitudes are reasserting themselves in a different guise.

They point to the law on citizens' security proposed by the interior minister, Luis Corcuera, which allows the police to detain anyone who cannot produce a national identity document and to invade private homes without a warrant.

Thousands marched in the streets of Barcelona recently to protest the bill. About 200 intellectuals, judges, politicians and union leaders called it "the most serious and dangerous attack that any government has carried out against the Spanish Constitution."

With newspaper reports of people being beaten up for failing to carry their identity cards, the police and the Civil Guards are mistrusted as guardians of democracy.

Juan Maria Bandrés, a Basque politician who was a noted foe of Franco's, said that Spain was in "great danger" of lapsing back into a police state because of authoritarian attitudes and the advance of technology. Spain has introduced vast police and tax data bases in recent years, with little parliamentary or democratic control over their use.

Mr. Corcuera dismisses his critics as "intellectuals" out of contact with reality. He said the law was needed to tackle terrorists and drug traffickers.

But the critics say Mr. Corcuera's proposed law will not affect powerful drug barons, many of whom live in huge villas along the Galician coast and are well-known to the authorities. They say the drug problem, clearly visible on the streets of major cities, is caused by the government's decision to depenalize consumption.

The drug scourge has spawned vigilante groups that beat up junkies and small-time dealers. It has also touched off a wave of attacks and discrimination against Spain's one racial minority, the 800,000 Gypsies, who are widely suspected of drug dealing but who are also major victims of addiction.

The cracks in the Socialist Party have been visible since the resignation a year ago of the deputy prime minister, Alfonso Guerra, who left amid an odor of scandal but kept his position as deputy secretary-general of the party.

From there he has sniped at what he calls the neo-liberalism — or capitalism — of Finance Minister Solchaga, while demanding a more equitable redistribution of wealth. Mr. Guerra is believed to be increasingly at odds with the prime minister, his boyhood friend.

"The silent battle of Spanish socialism between the No. 1 and the No. 2 in the party is under way," said the magazine Cambio 16.

These strains were highlighted when the party's No. 3, José Maria (Txiki) Benegas, indiscreetly talked about them on his car radio. The conversation was recorded anonymously, disclosed to a popular radio station and broadcast around the nation. Mr. Benegas never denied the conversation.

Despite the Popular Party's victories in municipal elections last year, few believe that Mr. Aznar, the party leader, can unseat Mr. González, although some observers say the opposition might cost the Socialists enough votes to force it into a coalition or a minority government.

Mr. Aznar "does not have enough weight to take on Felipe González," said Mr. Savater, the philosopher. "I see no alternatives to the Socialist Party at the moment."

Mr. Fusi concurred. "Aznar is a lightweight," he said, adding that "until the conservatives find a firm leader with the authority, presence and maturity of a statesman, people will keep voting for the Socialists."

The Socialist Party has moved so far to the right that it occupies much of the ground that would normally belong to Mr. Aznar's party, and the choice that will face voters in the general elections seems largely one of labels.

Mr. González must call elections by 1993, but many in the country think he will call them early to take advantage of the euphoria from Expo '92 in Seville, the Summer Olympics in Barcelona and the designation of Madrid as Europe's cultural capital.

Francisco Umbral, a writer, suggested in a recent book, "El Socialfelipismo," that Spanish socialism had become like the miniature bonzai trees that Mr. González tends as a hobby: increasingly minimalist.

"We have managed to combine the worst of capitalism — corruption — with the worst of socialism — demagogy," Mr. Umbral said.

But others praise the prime minister for pragmatism and putting together one of the most solid political coalitions in Spain's history.

He has persuaded the party to accept a number of Socialist heresies: to abandon Marxism, to reverse its opposition to membership of NATO, to accept the monarchy as the basis for democracy, to espouse anti-inflationary economics and to support the U.S.-led coalition in the Gulf war.

In earlier days, Mr. González could thrill a bullring full of chanting supporters with passionate oratory. Now he remains secluded in the Moncloa Palace, observing to a reporter that he has given up his freedom so that others might enjoy theirs, and addresses the nation only on television.

The old monarchist newspaper ABC, which has turned into one of Spain's most sharply focused dailies, said of Mr. González recently that "Spain has become too small for him."

"His vision extends further," it said. "Because of this, he is not accustomed to go before parliament, unless it is dealing with international affairs, nor is he worried about the many cases of corruption in his party. González has no problems in his own home, and he wants to solve the problems of others."

NEXT: Latin American relations

هكذا من الأصل

Quayle's Secret for Success: Be Ready 'to Make Decisions and Keep Doors Open'

By David S. Broder and Bob Woodward
Washington Post Service

WASHINGTON — The story of Dan Quayle's entry into politics in 1976 at the age of 29 has been told dozens of times.

In it, Orvas Beers, the Republican county chairman in Fort Wayne, Indiana, and Ernie Williams, editor of the Fort Wayne News-Sentinel, meet an unsuspecting Mr. Quayle — then associate publisher of the 8,300-circulation Herald-Press in Huntington — at a Friday luncheon and out of the blue invite him to run for Congress.

Mr. Quayle, the story goes, is thunderstruck. He has never considered political office before. "You mean now?" he asks.

He demurs; he must get his father's permission. The tale invariably ends with Mr. Quayle, nine months later, being handed the House seat, like so much else in his life, on a silver platter.

Second of a series of articles on Dan Quayle

In the popular version of Mr. Quayle's ascent, someone — an Orvas Beers or an Ernie Williams, his well-connected father, James C. Quayle, or his powerful grandfather, the newspaper magnate Eugene C. Pulliam — provides the impetus and the means for the unambitious lad to do it all.

According to this view, George Bush is Mr. Quayle's ultimate political godfather, anointing the previously obscure senator as his 1988 running mate.

It is a nice, simple version of events. But it is largely fable.

As he put it in a recent interview, you try to "put yourself in a position to make decisions and keep doors open."

After graduating from Indiana University Law School, Indianapolis, in 1974, Mr. Quayle turned down job offers from law firms and government offices in the state capital, choosing instead to help run the small newspaper owned by his father in the town where he had spent part of his childhood.

The selection of Huntington, Mr. Quayle said, "wasn't an accident;" it was a political calculation. Anti-Indianapolis sentiment abounded at that time, and Indiana, he knew, had never elected a statewide candidate from the capital.

For the first two decades of his life, Dan Quayle did not impress anyone as a good bet to win much of anything but a golf game. His performance as a student was weak, his grades at best mediocre.

Mr. Quayle was born in Indianapolis in 1947 to James and Corinne Quayle. Jim Quayle was a middle manager with the newspaper chain owned by his father-in-law, Eugene Pulliam, first in Huntington (pop. 16,000), the Midwestern small town that Dan Quayle calls his home, and then in Arizona, where the Quayles moved when Dan was 8.

In 1963, when Dan was 16, Jim Quayle, a member of the far-right John Birch Society, bought the Huntington Herald-Press from his father-in-law, and the family moved back there for Dan's last two years of high school.

Though Gene Pulliam had made a fortune, he did not believe in inherited wealth. Dan Quayle grew up as a child of middle-class privilege — country clubs, but public schools. His family's homes were modest.

In high school Mr. Quayle paid more attention to politics — and to golf, his No. 1 interest — than to classes.

Mr. Quayle graduated from DePauw University in 1969, with a C average. It was the height of the Vietnam War, and Mr. Quayle joined the Indiana National Guard rather than risk being drafted because, he said, he wanted to go to law school.

According to Marilyn Quayle, he had been unfocused in his life plans before then. But, she said, six months of basic training awakened him and made him say, " 'O.K., now it is time for me to be an adult. I've got to decide what I'm going to do with myself, and I've got to make a difference.' "

Admitted to law school in 1970 despite his mediocre undergraduate record, he began to buckle down somewhat, combining classes with political jobs in the state attorney general's and governor's offices.

In 1972 he met Marilyn Tucker, who was also studying law at Indianapolis. Ten weeks after they started dating, they were married.

It was in part his wife's reaction that Mr. Quayle had in mind when he told Mr. Beers and Mr. Williams, at lunch that day in Fort Wayne, "I'm really not sure that I am ready to run for Congress," adding, "If I was going to run for anything this year, I might be running for that state representative seat down there."

But he also did a quick political calculation. Before he would risk the tougher race against Democratic incumbent J. Edward Roush, who had served 16 years in Congress, certain conditions would have to be met. He got Mr. Beers to keep tough competition out of the primary election and to guarantee him money to campaign.

Mr. Quayle trounced his lone primary opponent 63 percent to 37 percent.

After the primary, Mrs. Quayle took control of organizing the race, though she was well along in her second pregnancy. The race was tough. It was two years after Watergate, and President Gerald R. Ford was on his way to defeat.

No one had to tell Mr. Quayle how to run against Big Government and Washington. From his grandfather and his father, he had learned that bureaucracy and regulation, taxes and spending were prime evils.

Mr. Quayle, aided by contributions from New Right political action committees, outspent Mr. Roush 2-1 and vastly outcampaigned him on small-town Main Streets, at Friday night football games, in the laundromats and bowling alleys.

On election night, Mr. Quayle beat Mr. Roush by 19,000 votes, a 55 percent to 45 percent edge. At 29, Mr. Quayle was going to Congress. But that was only the first step he and his wife had in mind. Six months after he started in the House, the Quayles began planning the shift to the Senate.

Birch Bayh, the third-term Democratic incumbent, was a thorn in the flesh of Hoosier Republicans.

If he could win re-election to his congressional seat in 1978 with more than 60 percent of the vote, and no other leading Indiana Republican wanted to run against Mr. Bayh, he could have a shot, Mr. Quayle reckoned.

He got 66 percent.

The 1980 contest turned out to be a repeat of 1976, with Mr. Quayle charging that Mr. Bayh was out of step with Indiana after 18 years in Washington.

The result, too, was the same: a shocking upset by the little-known Mr. Quayle of an entrenched incumbent. With Ronald Reagan atop the national ticket, Mr. Quayle defeated Mr. Bayh 54 percent to 46 percent.

It would be seven more years before George Bush gave Mr. Quayle a chance to taste adversity.

Omar Torres/Agence France-Presse

Horse-drawn transportation in Cuba is becoming more common as fuel gets scarcer because of the increased rationing of gasoline.

Castro to Recount Khrushchev 'Betrayal'

The Associated Press

WASHINGTON — President Fidel Castro of Cuba plans to deliver a detailed account of the 1962 Cuban missile crisis, including the betrayal he felt when Soviet leaders ignored him at the episode's decisive moment.

Mr. Castro will make his presentation Thursday in Havana before a gathering of prominent Soviet, American and Cuban officials who took part in the event, which gave the world perhaps its closest brush with a nuclear confrontation.

Cuban officials described Mr. Castro's plans to the Americans involved in organizing the conference.

In recognition of the intimate ties that developed between Moscow and Havana for more than two decades after the crisis, Mr. Castro has generally muted his feelings about the bystander role that Nikita S. Khrushchev, then the Soviet leader, forced on him at the time.

But with the disintegration of the Soviet Union, Mr. Castro no longer feels so constrained, said Philip Brenner, an American University professor who will take part in the discussions.

"Castro is extraordinarily angry at the betrayal at the time of the missile crisis," Mr. Brenner said.

Mr. Castro was outraged when Khrushchev agreed in October 1962, without consulting him, to dismantle Soviet nuclear missiles in Cuba in return for President John F. Kennedy's promise not to invade the Caribbean island.

Participants in the conference also have been told that Mr. Castro will discuss the decision, made under intense U.S. pressure, to withdraw Soviet-supplied bombers from the island three weeks after the crisis ended.

A conference in Moscow in January 1989 explored the U.S.-Soviet dimension of the crisis, and Cuba subsequently agreed to play host to a follow-up meeting to offer its own perspectives of that period.

Mr. Castro is scheduled to give a lengthy presentation on Thursday and to answer questions on Saturday.

BUSH: *Miyazawa Pledges Concessions to 'Reward the Friendship' of U.S.*

(Continued from page 1)

the United States, will have the support of my people and the support of my party," he said.

"We'd like to be a friend in need, and that I think will have the support of the Japanese people."

For all his good cheer, Mr. Miyazawa also had some tough words for the United States. He said the current American recession was largely "attributable to such factors as heavy household and corporate debts, the banks' general reluctance to lend, and interest rates which remain relatively high partly because of your own fiscal deficit."

Mr. Miyazawa did not promise to fulfill all of Mr. Bush's requests.

Asked about American demands that Japan end its ban on rice imports, Mr. Miyazawa said, "This isn't an easy problem." And he was pessimistic about increasing U.S. auto sales in Japan, noting that since Japan ended tariffs and limits on auto imports, most of the foreign market share was taken by German cars.

■ Bush Reassures Troops

John E. Yang of The Washington Post reported earlier from Seoul:

Before leaving for Japan, Mr. Bush went Monday to one of the last outposts of the Cold War to tell about 2,500 U.S. troops clad in combat fatigues: "You have not been forgotten."

At Camp Casey in Yongsan, South Korea, the home of the U.S. Army's 2d Infantry Division, Mr. Bush spoke in a hangar bedecked in camouflage netting just 20 kilometers (12 miles) south of the Demilitarized Zone that separates North and South Korea.

He shed his suit coat for an olive-drab, waist-length jacket. On one wall hung a banner: "This Is Warrior Country." The podium was flanked by AH-1 Cobra attack helicopters.

"We stand here just a few miles from the DMZ, a relic of the Cold War, tragically separating one people," Mr. Bush told the group. "And history's verdict is in: On freedom's side stands one of the fastest developing countries in history. And on the other side, a failed regime that produces only misery and want."

Mr. Bush also sought Monday to maintain the momentum that has seen North and South Korea in the past three weeks agree to sign a comprehensive peace treaty and ban all nuclear weapons on the peninsula.

At the same time as offering North Korea a halt to the military exercise, he offered South Korea reassurances that the demise of the Soviet threat will not diminish the U.S. commitment to Seoul.

Mr. Bush said he would be willing to seek better relations with North Korea once it made progress on nuclear inspections and on human rights issues, and demonstrated its peaceful intent.

During his 42-hour stay in South Korea, the president had been prepared to announce that the United States would raise U.S. diplomatic contacts with North Korea to a slightly higher level, U.S. officials said. But North Korea asked for a delay to consider the offer, according to the officials, who would not elaborate.

Brady Joining Bush For Talks in Japan

By James Sterngold
New York Times Service

TOKYO — Japan's finance minister made a surprise announcement Monday that the U.S. Treasury secretary, Nicholas F. Brady, was coming to Tokyo to accompany President George Bush during his visit beginning Tuesday.

The announcement triggered waves of speculation that Mr. Brady may press Japan for financial measures to bolster the ailing U.S. economy and help American companies doing business in Japan.

Japanese and U.S. officials were unusually tight-lipped about Mr. Brady's visit and its purpose, other than to acknowledge that he was coming, which added to the speculative fervor. A senior Treasury official has been in Japan since the weekend negotiating with the Japanese, but officials would say only that a range of macroeconomic issues had been discussed.

Undoubtedly, Mr. Brady's presence will add to the unusual level of pressure the United States is applying on Japan to make trade concessions. U.S. negotiators are trying persuade the Japanese to establish targets for the import of American autos and auto parts, officials have said. The pressure created some confusion and rancor, as the Americans pressed to tie up a deal before Mr. Bush arrived.

Japan has taken two macroeconomic steps recently in response to U.S. demands that the government try and reduce the growing trade surplus. In a surprise move, the Bank of Japan lowered its official discount rate in the final week of last year. That makes it easier for the United States to reduce interest rates and stimulates growth in Japan, which will tend to increase imports.

In addition, Japan announced a budget for the coming fiscal year, which begins April 1, that includes heavy public investment in such projects as new roads, bridges and sewerage systems. The United States has pressed for such spending as a way of stimulating domestic demand, also a spur to imports.

U.S. Is Cautious About Upgrading Japan's UN Role

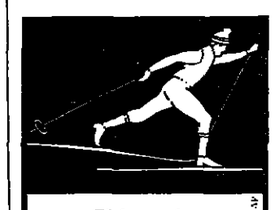
New York Times Service

SEOUL — President George Bush gave only tepid support Monday to proposals that Japan be given a permanent seat on the United Nations Security Council, saying that the idea had merit but would be "extraordinarily difficult."

Speaking at a news conference in Seoul, Mr. Bush said that "various friends" of Washington had approached him about increasing the number of permanent Security Council members to reflect a world in which Japan, Germany and other nations have emerged as economic, if not military superpowers.

The president called Japan "an economic power to be reckoned with," but he said that elevating its UN role would require "extensive consultations," a review of other nations' claims to permanent status, and the rewriting of the UN charter.

"My experience at the UN tells me changing the charter is extremely difficult, but we'll be open-minded," he said, adding, "It simply isn't going to just happen."



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UN to Send 50 Observers to Yugoslavia

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — Secretary-General Butros Butros Ghali said Monday that he was immediately sending 50 UN truce observers to Yugoslavia but that he was not ready to dispatch a larger force.

In a report to the Security Council, Mr. Butros Ghali said the 50 military liaison officers would work with both sides to maintain a cease-fire that began in Croatia on Friday. The military liaison team will arrive "in the next couple of days" said François Giuliani, a UN spokesman.

But Mr. Butros Ghali said that he could not yet recommend deployment of a force of 10,000 until he was certain that the cease-fire would hold and that all leaders in Serb-occupied regions of Croatia agreed to the UN mandate.

His envoy, Cyrus R. Vance, returned from his fifth trip to Yugoslavia over the weekend, saying the situation would have to be watched carefully. Deployment of a full contingent, he said, could take weeks.

The council was to consult on the issue later. But under a previous mandate the secretary-general can make arrangements for this advance group, drawn from other existing forces around the world, to leave immediately.

In Yugoslavia, the new cease-fire held for a fourth consecutive day despite sporadic fighting and doubts by Serbs and Croats near the front that it would last.

Mr. Butros Ghali said the UN troops would be attached to the general headquarters of the Yugoslav Army and the Croatian National Guard and to their field headquarters down to the corps level.

UN plans are to send forces to Serbian enclaves within Croatia. Mr. Vance had secured agreement for these plans from most Serbian and Croatian leaders.

But Mr. Butros Ghali in his report pointed to statements from "certain leaders of the Serb communities in Croatia" that had "given cause for some concern."

He was alluding to Milan Babic, the leader of the Serbian enclave of Krajina, who has rejected deployment of UN troops in the territory itself and said they could only be stationed on its borders.

(Reuters, AP)

Russia Rejects U.K. Beef as Suspect

By Craig R. Whitney
New York Times Service

LONDON — There may be no meat in most Russian food stores, and prices for what little there is may be soaring, but agricultural inspectors in Moscow have turned up their noses at a shipment of 120 tons of British beef, fearing it was infected by "mad cow disease."

Instead, after hours of wrangling and telephone calls between Moscow, Brussels — the headquarters of the European Community, which is providing the beef as part of an emergency food aid program for Moscow and St. Petersburg — and London, the Russians sent the Soviet plane carrying the shipment off to the Arctic Circle Monday.

"Where's the beef?" a spokesman for the British Overseas Development Administration was asked Monday.

"In Murmansk," he answered.

Apparently the Russians thought it was safe to send it there, since there are no cattle anywhere nearby to get infected.

Properly known as bovine spongiform encephalopathy, the fatal brain disorder has caused the destruction of tens of thousands of cattle in the British Isles since 1986.

So far, British officials say there is no evidence that humans can catch the disease, which causes the animals to lose control of their legs and fall to the ground, though a couple of cats are said to have shown symptoms presumably contracted from pet food.

But that was beside the point, British officials told the Soviet authorities: This beef was free of the disease.

"We've given them guarantees that it's beef that's been cleared by the EC and cleared by us," the development spokesman said Monday.

The Russians didn't listen.

Sounding distinctly miffed, the British Overseas Development Minister, Lynda Chalker, told BBC Radio that the episode was "very embarrassing."

Plans to send another planeload of 120 tons have been shelved, an official added, and 2,200 tons that were to have gone by ship from Hull remain in cold storage.

GEORGIA: *Gamsakhurdia Flees, Ending Long Siege*

(Continued from page 1)

quest for independence. But he was immediately accused by opposition parties of dictatorial tendencies and antagonized many of his own supporters by unpredictable ways and isolationist policies.

The virtual destruction of one of the most beautiful city centers in the former Soviet Union is also a reminder of the political tensions that have risen to the surface as a result of the collapse of the former Communist superpower.

In the neighboring Caucasian republics of Armenia and Azerbaijan, the relaxation of central control led to an upsurge of interethnic strife. Here in Georgia, where politics has long been dominated by rival clans, the end of Kremlin rule resulted in a civil war that pitted Georgians against Georgians.

"This is God's punishment for our political sins," said Georgi Handrava, a Georgian filmmaker, as he surveyed the smoking ruins of the parliamentary building. "We are all guilty, not just Gamsakhurdia. We are reaping the fruits of our Communist history, when all political activity was repressed."

The human casualties were relatively minor, as civil wars go: 100 dead and around 400 injured, according to official estimates. But the physical devastation in the center of Tbilisi is much greater than the damage wrought in the center of Bucharest during the December 1989 revolution against Nicolae Ceausescu.

Journalists walking along the avenue Monday morning three hours after Mr. Gamsakhurdia's flight were confronted with desolation.

Gunfire sounded in and around the building until mid-morning, as opposition troops fired celebratory shots into the air and bursts of bullets at real or imaginary snipers. Bearded militiamen wearing woolen skicaps and a motley of different uniforms kissed each other on the cheeks. For the most part, however, there was little sense of victory among the victors, just relief that the fighting was finally over.

MARKET: *The New Arbat Grocery Shows the Way*

(Continued from page 1)

different from that at the average Russian grocery, where sullen help, grimy surroundings and unappealing displays are givens.

Skimming off the top for friends, government officials and profit traditionally has been a way of life in Soviet stores — one that leaves little on the shelves for the customer. But Mr. Semenov said New Arbat was fostering a new attitude toward honesty and ownership among its employees.

A year ago, when the employees, led by Mr. Semenov, leased the store from the city government and began the move toward a market economy, Mr. Semenov held a meeting.

"I told them that when we took the shop on lease we became the masters," he said, "and we're the only ones who decide. And it's our money."

Stealing food, wasting electricity and water, and breaking machinery now cost them, not the government. Mr. Semenov said he believed that the logic had been persuasive.

At the same time, workers have been given incentives that make jobs at the store highly desirable. Higher prices and profits have meant higher salaries. A cleaning lady at the New Arbat earns more than an engineer at many factories; more skilled workers earn double that, and salaries are expected to go up again this month.

Most important, Mr. Semenov was able to persuade city officials a year ago to allow the New Arbat to enter a joint venture with an Irish company for a hard-currency store, where scarce consumer goods are sold only for convertible foreign money. Located above the grocery, the venture has provided a windfall of foreign money and expertise.

Thanks to the success of the joint venture, for instance, Mr. Semenov's grocery has a new sign, the sprightly awnings and a clean, efficient meat counter that was imported from the West. It also has about $300,000 in the bank — earned over the last four months — that will be used to purchase goods and services from abroad, according to Mr. Semenov. He is planning a seafood department modeled on the lively fish markets he saw on a trip to Greece.

All of this puts Mr. Semenov strides ahead of many Russian store directors, who are still relying on the government for supplies.

"Western businessmen understand me better than people here," Mr. Semenov said, adding that his compatriots' ability to adjust was uncertain.

"Most of these stores are empty," he said. "Maybe they will somehow drag on in the turmoil. Maybe they will somehow survive."

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A House in Disorder: Legal Fight Reflects Arab-Jewish Split on Jerusalem's Future

By Clyde Haberman
New York Times Service

JERUSALEM — Avi Maoz says he has a dream. Fatmeh Ahmad Karain asks why his vision should come at her expense.

Their differences form the core of a nasty court fight that is being waged over conflicting property claims in a part of East Jerusalem called Silwan, which spreads across hills lying just below the imposing walls of the Old City.

But far more is at stake than who ultimately gets to live in a particular house in a rundown Arab quarter. The legal battle for Silwan, Arabs and Jews agree, is nothing less than a microcosm of deep-seated antagonisms over Jerusalem's present and its future, with delicate religious, ethnic and political considerations hanging in the balance.

It pits not only Palestinians against Israelis but also one Israeli against another over whose version of Zionism is just and true.

While the conflict is hardly new, the front lines have been drawn in Silwan with rare crispness. At the center are the settlement policies of a conspicuously hard-nosed Israeli government that trumpets the right and even obligation of Jews to settle in every corner of the biblical Land of Israel, especially Jerusalem.

Avi Maoz, a strongly religious Jew and an ardent nationalist, belongs to an organization of Israelis known as El Ad, a name formed from Hebrew letters that stand for City of David. With government encouragement and funds, over the last seven years El Ad has quietly gone about acquiring title to Silwan properties, including the second floor of a house that Fatmeh Ahmad Karain says belongs to her.

For Mr. Maoz, Silwan is not just another Arab neighborhood. Its heart, he says, including the house that Mrs. Karain contests, is where King David built his city 3,000 years ago.

"We're tied to the past, just as the future is tied to us," Mr. Maoz said, standing outside another Silwan house recently moved into by El Ad members, who went in and out carrying building materials and talking on walkie-talkies and cellular phones. They worked under the protection of Israel policemen and hired armed guards.

"Our past as a state began in this place," he said. "This is where the kings of the House of David were anointed. It's natural that every person would want to return to the source of his existence."

It is not so natural, however, to Mrs. Karain, a Palestinian who says that she bought the house from her father in 1966, a year before Israel annexed the eastern half of Jerusalem after the 1967 war and declared the city its unified and eternal capital. That annexation has not been recognized by the United States and other Western countries.

So explosive is Jerusalem as an issue that its ultimate status has been set aside as the last item to be taken up in the painstaking Middle East peace process that is scheduled to resume on Tuesday in Washington. But the Silwan dispute has exposed so many raw nerves that some Palestinian leaders insist that Jerusalem be made a priority topic at the peace table.

As Mrs. Karain, her husband and their four children greeted the dawn on Dec. 12, El Ad members and a sizable police force pounded on their door, barged in and summarily moved the Karain family out into a rainstorm.

The same fate befell Musa Abbasi, an electric company employee who lived not far away. Since then, he said, Jewish newcomers have dumped his bedding, books and other belongings down a muddy hillside, and he complains that they try to intimidate him by repeatedly pounding on his door at night.

The Dec. 12 incident was preceded on Oct. 9 by another attempt by El Ad to move into Silwan houses.

"When they came in October, they were shocked because they thought the house was empty," Mrs. Karain said, standing outside the house she no longer lives in. "We were away visiting relatives. When they tried to storm in, our neighbors woke up and called the police, and the police made the settlers leave."

At the time, Prime Minister Yitzhak Shamir called the El Ad move a mistake. But by December, apparently driven by domestic political considerations, he and his cabinet ministers had changed their minds, declaring the housing takeover to be legal.

El Ad leaders deny that they tried to intimidate anyone in Silwan and insist that every act of theirs has been lawful. As for Mrs. Karain, they say that she may have once owned the property but that she does not any more. She was not just visiting relatives in October, they say, but was living full time elsewhere and moved back into this house only after Oct. 9.

While the courts decide who is right, the Silwan affair has focused international attention on broader policies of the Israeli government to abet Jewish nationalists seeking to move into Arab sections of East Jerusalem, including the Old City.

Mr. Shamir and his housing minister, Ariel Sharon, say there is no corner of the city that is off-limits to Jewish habitation.

But critics, generally Palestinians and Israeli liberals, accuse the Shamir government of methodically squeezing Arabs out of their traditional quarters, trying to "Judaicize" the city any way they can with a combination of legal maneuvering, payoffs and, now and again, harassment.

In Silwan, a fairly poor section with an estimated 30,000 residents, El Ad went about acquiring title to roughly half the apartments in the relatively small area said to have been David's city. They now have 20 apartments, although they have tried to move into only six of them.

Although Silwan has been an Arab neighborhood for years — it is a hotbed of the Palestinian uprising — some houses had been owned by Jews until they were forced by Jordan to leave during Israel's 1948 war of independence. That fact forms part of the legal underpinning for the El Ad acquisitions.

Egypt's Fundamentalists Find Muslim Ideology Is a Hard Sell

By Chris Hedges
New York Times Service

CAIRO — In a small, barren room in central Cairo, three bearded members of the outlawed Holy War organization gathered late one evening to plot the next move in their struggle to topple the Egyptian government.

But the giddy euphoria of a decade ago, when these men were part of a group that was linked to the assassination of President Anwar Sadat and seemed able to challenge the state, was gone. Instead they talked morosely of comrades who had died in clashes with the police and leaders who were languishing in prison.

"The government has hit us hard," said Mahmoud. "Most people are in prison, and the ones who are not are afraid to show themselves in public. We have trouble getting supporters because people know if they follow us they will be arrested."

The Sudanese military junta has proclaimed an Islamic government, and Algeria's experiment in democracy has allowed Muslim fundamentalists to close in on power. But in Egypt, those who a few years ago predicted a flowering of fundamentalism are confronted by the reality of a movement decapitated by state security and splintered into competing factions.

"These groups cause me no worry," Interior Minister Abdel Halim Moussa said recently. "I know them and I am used to them. They are people searching for a role."

The most powerful of the groups is the Muslim Brotherhood, founded in 1928. It makes up the largest opposition bloc in the parliament along with the Labor Party. The Brotherhood has drifted in and out of legality, at times tolerated as a counterweight to the left and then violently suppressed.

Its founder, Hassan Banna, was gunned down by King Farouk's secret police in 1949. The group was outlawed when members tried to assassinate Nasser in 1954, but was granted legitimacy by the current president, Hosni Mubarak, and was allowed to field candidates in the 1987 parliamentary elections.

But the opposition of the group to Egyptian and American involvement in the Gulf war has seen the millions of dollars it received from wealthy conservatives in the Arabian Peninsula dry up. Fundamentalist leaders say the Saudi government has even begun to deport fugitive members back to Egypt.

Shorn of support from the Gulf countries, the fundamentalists have turned to the more stridently anti-Western brand of Islam being espoused by Iran. But this brand of ideology is harder to sell to a populace that prides itself on being among the Arab world's most cosmopolitan and that has never had much of an appetite for dogma. Recent protest demonstrations called by the Brotherhood have attracted only a few hundred people.

Muslim Brotherhood leaders complain bitterly that they are hurt because the government's control of the press and broadcast outlets has prevented them from presenting their full platform to the public.

"We have the answer for everything from economics to criminals," said Moukhtar Nouh, an activist, "but the government does not allow us to talk."

There are also dozens of clandestine organizations, like Holy War, dedicated to the overthrow of the government. They lurk in the back alleys of this sprawling city of 12 million and in the dirt-poor villages in upper Egypt.

Nearly every week, there are gun battles between militants and the police. The groups toss firebombs at liquor stores and bars, attack Christian shops and churches and harass women who are not veiled.

Many young men, unable to find employment, and therefore unable to marry and raise a family, embrace radical Islam as a panacea. The fundamentalists deride wealthy Egyptians who vacation in Europe while others go hungry.

The government has seized control of mosques that nurtured radical Islam and installed pro-government clerics. It has saturated so many others with informants that many Muslim militants say they steer clear of places of worship.

There are several thousand fundamentalists in prison, according to Amnesty International, although the government says it holds 600 political prisoners.

To many in the slums of Cairo, the fundamentalists' day has passed.

"The government has finished off most of them," said Zaki Mitwalid, 48, a shopkeeper in Ain Shams, a Cairo slum that has been a stronghold for Muslim radicals. "These kids are not Muslims anyway. They are thugs and killers."

Jim Hollander/Reuters

THE CARDINAL AS PILGRIM — Cardinal John J. O'Connor, the Roman Catholic archbishop of New York, kneeling Monday in Bethlehem's Church of the Nativity, where Jesus is said to have been born. The cardinal also met with Israeli officials and said that relations between Israel and the Vatican, although still "complex" and "delicate," were improving.

Israelis Show Up For Talks as Arabs Hold to Boycott

Compiled by Our Staff From Dispatches

WASHINGTON — Israeli negotiators arrived in Washington on Monday ready to resume Middle East peace talks that are being boycotted temporarily by Arab delegations.

The Syrian, Lebanese, Jordanian and Palestinian delegations suspended their travel to Washington, where the talks were to convene on Tuesday, to protest Israel's decision last week to deport 12 Palestinians from the occupied territories.

But diplomats and officials said they expected the delay to be short and the talks to resume, possibly this week, after the United Nations Security Council had taken up the question of the expulsions.

Palestinian delegates said Monday that they would probably attend the talks if the Security Council strongly condemned the deportations.

"If the Security Council passes a resolution that goes beyond previous ones, this could help us decide to go," said Ghassan Khatib, a delegate from Ramallah in the occupied West Bank.

Mr. Khatib indicated to The Associated Press that the Palestinians wanted the Security Council to go beyond past condemnations of Israeli actions in occupied lands and take measures to force Israel to reverse the expulsion orders.

Diplomats said the United States was likely to support a Security Council resolution condemning the deportations as long as it was limited to that issue alone and did not turn into a more generalized condemnation of Israel.

The Security Council held private consultations on Monday with a view to a public meeting later. No resolution has been drafted.

Eli Rubinstein, Israel's chief negotiator in talks with the Palestinians and Jordanians, said they should have honored the agreement to resume negotiations on Tuesday.

"We came to resume the negotiations," he said. "We hope to find our colleagues and friends on the other delegation with us and start negotiations.

"We hope they'll be here on time because agreements are to be honored. If you agree to be on the 7th negotiating, you should be on the 7th negotiating."

The three sets of talks, between Israel and Syria, Lebanon and a joint Jordanian-Palestinian delegation, were inaugurated in November after the Middle East peace conference in Madrid. The sides met again in Washington last month but adjourned on Dec. 18 after two weeks in which little progress was made.

The deportation order has developed into the most serious threat to the peace process that was begun last year by James A. Baker 3d, the U.S. secretary of state. Israel has deported 67 Palestinians from the occupied territories since rioting began four years ago. But the last 12 were the largest single group to be deported in that period.

In Jerusalem, Prime Minister Yitzhak Shamir defended the decision to expel the Palestinians.

"I know that expulsions must deter terrorist acts," Mr. Shamir said Monday after addressing the parliamentary foreign affairs and defense committee.

"Peace talks have to bring an end to terror," he added.

(Reuters, AP)

Horror Stories From Foreign Laborers in Kuwait

New York Times Service

KUWAIT — Edita Castro left her home in a Manila slum for Kuwait after hearing a radio commercial promising a good job overseas.

Out of work, struggling to feed her three children, the 33-year-old mother packed her bags for what she thought would be a two-year stint as a nanny.

But when she showed up at the airport she was spirited away in a van to a house in Kuwait City. She would work, she was informed, not as a nanny but as a maid.

Many Kuwaitis, who felt the sting of mistreatment by their Iraqi occupiers, have failed to translate that experience into compassion for the 500,000 menial laborers, most of them from Asia, who do everything from sweep their streets to cook their food.

Once in her employer's home, Mrs. Castro was refused permission to leave for even a few minutes. She could not receive letters or phone calls, even from her family.

Her work began before dawn, when she had to clean the family cars, and ended long after midnight, with her serving food and drinks to the men of the house.

If she failed to respond fast enough, she was beaten. She was never paid her $130 a month salary. Then, she recounts, she was raped by her employer.

She fled to the Philippine Embassy and was given space on the floor of two rooms that now hold 130 women who have sought refuge.

And it is not just the Filipinos who have fled. The Indian, Bangladesh and Sri Lankan embassies say 15 to 20 women a day arrive at their gates with similar reports of abuse.

Foreign workers, and especially domestic servants, complain of beatings, long hours with no time off, tardy payment or nonpayment of salaries, being denied contact with the outside world and sexual abuse.

Mohammed Shabanan, the assistant secretary for labor affairs, said his office was looking into the activity of the many recruitment agencies that bring the workers into the country, but he refused to comment on charges of mistreatment.

Mir Abdel Hossain, first secretary of the Bangladesh Embassy, said, "These people are exploited by unscrupulous agents in their own country and here. They lead a miserable life."

"There are many reports of human rights violations," he said. "This job of a houseboy or a maid in Kuwait is almost like slavery."

The workers have little recourse if they are abused, most being denied protection under the labor laws. They must reimburse their employers for the travel and agency fees, a small fortune for them and their families, if they want to break the contract.

Many have already pawned their jewelry or taken out loans to pay the $300 fee charged by the agencies to those seeking employment.

When Sunder Babu Chauhan, a 30-year-old maid from India, fell ill her employer angrily took her to the agent who brought her into the country.

"The agent took me to a back room and beat me with a wooden stick," said Mrs. Chauhan, who has taken refuge in the Indian Embassy. "I was ill. For three months I had not been paid. I rented my house and pawned all my jewelry to get the money to come. If I go back to India I will lose everything, including my home, but I cannot live like this."

The Kuwaiti government will not issue exit visas to the workers without the employers' consent, even if they can get emergency travel documents from their embassies.

The workers who fail to raise the $1,500 to cover their employers' costs to bring them to Kuwait are often trapped, unable to work and unable to leave. In some cases the women, many of whom are illiterate, do not even know the phone number and full name or address of the employer they ran away from, sending embassy staff into neighborhoods to knock on doors.

The Philippine, Indian, Bangladesh and Sri Lankan embassies try to find new jobs for those who do not have the money to buy their own release.

"You get them a job and a week later they are back with the same stories," a labor attaché said. "It is becoming an enormous problem for us."

Abuse of foreign workers is nothing new in the emirate, which has one of the highest standards of living in the world. In 1988, the Philippine government banned agencies from recruiting maids for Kuwait, contending that many were abused. The Sri Lankan, Bangladesh and Indian governments also discourage women from taking jobs in Gulf countries, especially Kuwait.

But Kuwaiti recruitment agencies operate openly, advertise in the newspapers and have branch offices overseas. The agencies skirt the Philippine ban by promising employment in Bahrain or Qatar and sending the women on to Kuwait instead.

Kuwait, with some 600,000 citizens, has long depended on foreign workers to prop up a luxurious and often indolent way of life.

Before the Iraqi invasion the country had over 1.5 million such workers. Diplomats contend there are probably half a million now, and each week a few hundred are added to their ranks.

After decades of living off huge oil revenues, many Kuwaitis do not know how to cook or do simple household chores.

— CHRIS HEDGES

Islamist Tries To Defuse Feud On British Law

Reuters

LONDON — The leader of a new self-styled Islamic parliament tried to defuse a dispute among British Muslims on Monday by denying that he had told them to break laws they found unacceptable.

"We would not break the law," Kalim Siddiqui said on television news. "We are amongst the most law-abiding people in this country."

The furor erupted last week when Mr. Siddiqui, making his opening speech to the unelected parliament, said British Muslims should "oppose, and if necessary defy, any public policy or legislation that we regard as inimical to our interests."

Most other British Muslim leaders distanced themselves from Mr. Siddiqui and the new parliament. Iqbal Sacranie, spokesman for the UK Action Committee on Islamic Affairs, which said it represented 90 percent of Britain's Muslims, said he was glad Mr. Siddiqui had retracted his statements.

Mr. Siddiqui's remarks brought criticism from the British government and heightened tensions between Muslims and the rest of Britain, which have been high since the Ayatollah Ruhollah Khomeini passed a death sentence on Salman Rushdie, the British author of "The Satanic Verses."

Eritreans Offer to Mediate Conflict in Somalia

By Jane Perlez
New York Times Service

ADDIS ABABA, Ethiopia — In an unusual regional diplomatic initiative for Africa, Eritreans are attempting to bring an end to the fighting in Somalia. And some Western officials believe the move may have a better chance for success than more publicized international efforts.

Traditionally, African governments have been unwilling to try to solve civil wars in neighboring countries on the ground that such efforts constitute undue intervention.

The United Nations estimates that the fighting in Somalia has killed or wounded at least 20,000 people in the last six weeks. The battles pit the forces of General Mohammed Farrah Aidid, the military leader of the United Somali Congress, against the troops of the interim Somali president, Ali Mahdi Mohammed, in a fierce clan-based, urban battle.

Rebels from Eritrea, a northern province of Ethiopia, carried on a long war for independence that appears to have ended after the Ethiopian government of Lieutenant Colonel Mengistu Haile Mariam was toppled in May. Eritrea now considers itself a separate entity and plans a referendum to legalize its secession. The Eritreans, who received considerable moral help from the Somalis during their war, have the advantage of being perceived as neutral toward the Somali fighters and the nation as a whole, diplomats said.

"There is an acceptance of the Eritreans. We are not an interested party," said Haile Mankourious, a senior official of the Eritrean People's Liberation Front, which is now the government in Eritrea. Mr. Haile, who is the Eritrean representative in Addis Ababa, visited Mogadishu recently with another Eritrean official to talk to the two sides. He said he would be returning shortly.

"We are trying to bring all the organizations to the same table," he said.

The move by the Eritreans, who have enjoyed good relations with the Somalis for years, comes as a senior United Nations official, Undersecretary-General James O.C. Jonah, flew to the Somali capital of Mogadishu late last week.

Mr. Jonah's peacemaking attempt had the "full backing" of the new secretary-general, Butros Butros Ghali, UN officials said.

Mr. Jonah met first with General Farrah Aidid and then with Mr. Mahdi over the weekend. After returning to Nairobi, Mr. Jonah said that he was "not optimistic" that any peace efforts could be started by the United Nations. He said General Farrah Aidid had rejected the UN overtures, saying that the conflict was an internal matter.

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Herald INTERNATIONAL Tribune
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Inter-Korean Progress

The lofty nonaggression treaty that the two Koreas signed last month raised the delicate question of whether the South, beguiled perhaps by dreams of unification, was becoming less than fully attentive to the perils of nuclear proliferation in the North. But Seoul insisted that the nuclear issue would be quickly and squarely addressed, and its assurances are being proven out. The two sides have just given preliminary approval to a joint policy barring nuclear weapons and their development on the peninsula. A formal pact is being prepared for signing next month.

The progress made to date is impressive. These are two nations armed to the teeth and profoundly hostile and distrustful. The Communist North, ruled by one dictator through all of its four decades, has a record of treachery and aggression. It was the frightening prospect that this outlaw state was a mere year or two away from possession of nuclear arms that galvanized South Korea, the United States and others into last year's diplomatic effort to engage this isolated, defiant regime in international contacts and commitments.

This is how reclusive North Korea comes now to be seeking out internationally accepted, American-defended South Korea, which formerly it reviled as an American puppet. In place of a security policy that focuses on early acquisition of nuclear arms, Pyongyang is exploring new nonnuclear mutual security arrangements. The payoff would include a desperately needed connection to the global economy as well as at least atmospheric movement toward the common Korean goal of unification.

The American part has been to stand steady as South Korea's ally and patron, while making the tactical changes that exploit new international openings. Progress toward unification still seems difficult and remote, but opportunities to reduce tensions in the divided peninsula have widened. In a notable initiative, the United States last year pulled its nuclear weapons out of South Korea to enable Seoul to bargain more effectively for nuclear denial by Pyongyang. It is the fruits of this diplomacy that are now looming into view. South Korea's friends, to say nothing of South Koreans themselves, will be especially concerned to make sure that North Korea accepts full international inspection of every aspect, known and suspected, of its whole nuclear program.

— THE WASHINGTON POST.

Japan Doesn't Kill Jobs

Americans buy much more from the Japanese than the Japanese buy from the United States. Everybody knows that these huge trade deficits force Americans out of work. That is why President George Bush is leading an entourage of big shot executives to pressure the Japanese to import more goods and thereby create "jobs, jobs, jobs."

But what everybody knows just isn't true. Trade deficits do not cause unemployment; indeed, the number of employed Americans is unrelated to the size of the trade deficit.

If that statement seems to contradict common sense, just recall the 1980s, when the United States rang up $100 billion trade deficits yet operated near full employment. Bashing Japan might make good campaign rhetoric, but it is unlikely to lower the unemployment rate one tick.

President Bush's promise to create jobs is based on the false premise that generating exports or cutting imports is an effective way to create demand for American workers during the current recession. But the United States does not need the Japanese to create demand. The same economic kick could be delivered if the Federal Reserve Board were to further lower interest rates or if Congress were to reduce taxes and raise government spending.

Indeed, trying to create jobs by manipulating the trade deficit would be absurdly difficult, requiring the restructuring of Japanese society before the recession runs its course in the next couple of months.

Besides timing, the attempt to drive down the trade deficit would likely be self-defeating. If Americans were to buy fewer Japanese cars — which would, in turn, require selling fewer dollars to buy yen — the value of the dollar would rise. That would make American exports more expensive, cutting sales. Employment in Detroit auto factories would rise, but employment in the airplane, agriculture and computer software industries would plummet by comparable amounts. Mr. Bush would not be creating jobs, he would be swapping jobs between Detroit and Iowa.

There is a constructive spin that Mr. Bush could put on his Asian mission, but it would not pack much wallop. By blocking imports, Japan prevents its trading partners from selling what they make best. That forces them to produce more of what they make less well, lowering their living standards a bit. The biggest losers, however, are Japanese consumers — who, for example, pay astoundingly high prices for domestically grown rice that can be produced far more cheaply by the United States.

So while Mr. Bush cannot accurately promise that knocking down Japanese trade barriers will produce more jobs, he could rightly promise that it would raise U.S. living standards a tad. That is not an exciting message, but at least it is honest.

The unpleasant truth is that American trade deficits are homegrown. They occur because Americans overconsume — buying more goods than they produce. The excess consumption comes from foreign suppliers — if not from Japan, then from Korea, Germany or Canada. As long as Americans persist in outspending their income, cutting the trade deficit with Japan to zero would solve nothing.

There is a serious consequence of insufficient saving, but it is not the trade deficit. A country that saves too little invariably invests too little in new machinery and technology. Over time, that means slow productivity growth and stagnant incomes.

President Bush chose the wrong problem and offered the wrong solution. The trade deficit is not related to the number, or productivity, of American jobs.

— THE NEW YORK TIMES.

Leave It to Afghans

Finally, 12 years after the Soviet invasion that started it all, the United States and the Kabul regime's former supporters in Moscow have halted military aid to the opposite sides in Afghanistan. Theoretically, that should dry up the war and improve prospects for a negotiated settlement. Actually, it may mean little of the kind.

It is not just that the war disrupted traditional political lines and arrangements in Afghanistan and stirred new conflicts that remain to be worked out. It is that since 1959 the landscape of ethnic politics in central Asia has changed. With or without the Cold War, the traditional states in the region — Turkey, Iran, Saudi Arabia, Pakistan — are exercising a freer hand. The new states created out of the former Soviet Union's Muslim republics are poised to assert foreign policy interests unchecked by Moscow. There is now an independent Tajikistan, for instance, and a major faction across the border in Afghanistan is composed of Tajiks.

A few years ago, before the splintering was so far advanced, it was possible to hope that the Afghan factions could find their own way — by traditional, partly consultative, partly combative means — to a new interior balance. The United Nations was assigned to help them assemble this puzzle of moving pieces. But the task is made even more difficult by the deepening and multiplying of foreign influences that claim a role. This is a miserable state of affairs. The country is now going to be left alone by the great powers, but evidently not by others. The "Great Game" of major-power intervention is becoming a lesser game, but Afghans are still objects and victims.

Perhaps there is no alternative to further decades of instability and to a general condition in which Afghanistan will be unable to resettle its millions of refugees and rebuild a broken land. Surely it would help, however, if one principle were established above all others: Let Afghans sort out their own affairs. The United Nations has a large role in mobilizing resources for reconstruction. It cannot easily fulfill that role while the country remains in chaos, but it should be able to keep an effective spotlight on intervenors. The common goal of responsible governments should be to isolate Afghanistan and to allow it the chance to come together again in some kind of workable whole.

— THE WASHINGTON POST.

Other Comment

Russian-Ukrainian Rivalry

The dispute over the armed forces of the former Soviet Union threatens to break up the new Commonwealth of Independent States before it has taken shape.

The main rivals are Russia and Ukraine. Kiev does not want Moscow to take over the role it had in the Soviet Union. Moscow refuses to hand over the Black Sea fleet, including aircraft carriers, to Kiev.

One may wonder at the speed of Ukraine's display of military independence. But it is an understandable reaction to the Russian tendency to confront other states of the former empire with faits accomplis.

— Frankfurter Allgemeine Zeitung.

Hope in the Countryside

If Russians, Ukrainians and other nationalities draw the proper conclusions, quick improvement in the basic food situation is likely. If enough enterprising young people go back to till the soil, they not only can feed themselves and their families but return the many abandoned villages to their former glory.

No Communist country has successfully made the transition to a free-market economy. But China and Hungary have made impressive headway through agricultural reforms. The hope of the former Soviet republics also lies in the countryside.

— The Baltimore Sun.

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OPINION

Economic Shock Therapy Endangers the Patients

By Valtr Komarek

PRAGUE — A grave error is being made in Eastern Europe and now in the former Soviet Union, one that will have enormous and dire consequences for millions of people. I am speaking of the "shock therapy" approach to economic conversion that is roughly similar to the program started last week in Russia.

The shock therapy, as defined by dozens of Western armchair economists, calls for a thorough change from a command to a market economy in a relatively short time, generally two to three years. This sped up process typically involves making the currency convertible, eliminating subsidies, decontrolling prices, privatizing industry and eliminating restrictions on imports. These steps, it is believed, will set the stage for future growth and renewal based on sound market principles after a brief adjustment period.

But shock therapy is out of touch with reality. It ignores the impact of such an approach on the vast educated, skilled classes of Eastern Europe.

In Czechoslovakia, where radical reforms have been in place for a year, the outcome in 1991 was a 22 percent fall in industrial output, an increase in the unemployment rate from 2 to 8 percent, an inflation rate of 58 percent, a 33 percent decline in domestic demand and a 14 percent shrinkage in the gross domestic product. Although these trends are the consequence of 40 years of Communist mismanagement, their sudden intensity results from shock therapy.

No available evidence, statistical or anecdotal, demonstrates that these negative trends are reversing. In fact, a strong case can be made that they are accelerating and are more the result of shock therapy than of structural deficiencies in the economy as a whole.

Poland, which began shock therapy about six months before Czechoslovakia, has suffered an even greater deterioration. The issue is one of time, not intent. East European economists agree on the need to establish market economies. The question is whether it should be done over two years or 10.

To put matters in perspective, consider that it has taken Britain more than 12 years to make the transition from its brand of socialism to capitalism, even under the spirited leadership of Margaret Thatcher. The privatization started in 1978 has yet to come to full fruition.

Can the democracies of Eastern Europe be expected to proceed any faster? Can public enterprises be expected to withstand the rigors of international competition without the same degree of preparation that West European institutions have enjoyed?

Shock therapy ignores the basic concepts of division of labor in an advanced society. Many people in Czechoslovakia, Poland and Russia have committed their lives to developing highly specialized skills for heavy industries. Vast numbers of these people are being asked to abandon their training and experience and, without an adequate adjustment phase, take part in an amorphous "market" building itself up from scratch.

In Hungary this plunge was not as painful as elsewhere in the former Soviet bloc because its economy was more geared toward agriculture and commerce. But in Czechoslovakia, whose economy is oriented toward heavy industries, this means beginning anew, without the mainstays such as capital goods and steel that stabilize modern economies. The results tear at the country's social fabric.

East Europeans need to draw on their strengths in key manufacturing sectors, such as precision instruments in Czechoslovakia, in order to join the world economy. Major industries — electronics, for example — need to be protected until they have been prepared, with the help of Western technical aid, to compete. Governments need to make sure that their citizens are not cast adrift.

This approach would give industries time to stabilize. It would provide breathing space for the creation of a banking system able to channel domestic savings to support corporate growth based on market principles. Tax revenues could be funneled into infrastructure projects to build a hospitable environment for investment, while creating jobs and tickling domestic demand in much the same way that public works such as building a highway system or putting a man on the moon do in the West.

Despite the gross inefficiencies of communism, Czechoslovak domestic demand was sufficient to sustain a modicum of economic well-being in 1989. Why was it insufficient in 1991? The excessive and needless damage of shock therapy is largely to blame.

Because of the plunge in buying power as newly freed prices rose and the value of the currency fell, domestic demand has dropped by half in real terms in two years. Trade, which had been directed toward Czechoslovakia's former Soviet bloc partners, was given no time to reorient itself westward. Mechanisms for capital investment, mainly the various ministries, were eliminated, resulting in a decline in investment of more than one-third.

Not all elements of shock therapy are misguided. Allowing the currency to "float" against Western currencies is certainly a crucial early step. But, taken as a whole, the radical approach largely eliminates the role of government in the economy virtually overnight. I know of no country that could withstand such a shock.

Shock therapy is untested beyond the economic laboratories of Cambridge, Massachusetts. Its vision of the market has never been completely realized in any industrialized country in this century. It is a means that could bring about an awful end, particularly when one considers its current application in Russia and other ex-Soviet republics, where conditions are more complicated and serious than in Eastern Europe.

The time is at hand to rethink shock therapy. We should expand the discussions now under way with the West to address critical long-term social implications.

The writer, a former deputy prime minister of Czechoslovakia, heads the Forecasting Institute of the Academy of Sciences in Prague. He contributed this comment to The New York Times.

Look After Ex-Soviet Nuclear Brains

By Tyrus W. Cobb

WASHINGTON — The Bush administration must pay close attention to the ex-Soviet nuclear scientists and technicians being courted by regimes that have deep pockets and nuclear ambitions. Some 5,000 have the background and training to develop and build nuclear weapons. Several reportedly have been offered big bucks to work for Iraq and Libya.

Short of locking up all the scientists, how can well-meaning republic governments control their movements? A combination of American carrots and sticks might help prevent the hemorrhaging of nuclear expertise.

The Bush administration can provide the sticks, but only the private sector can provide carrots to scientists who are accustomed to a relatively high standard of living.

American business, perhaps joined by European and Asian corporations, should offer incentives to prevent the specialists from being lured to countries striving to join the nuclear club.

First, set up a fund for research grants. The idea is to have weapons scientists compete for grants that enable them to use their training to find solutions for pressing issues of environmental cleanup and weapons disposal. Forty-five years of bomb building in the United States have left an environmental mess that may eventually require $300 billion to clean up. The problem in the former Soviet Union may be far larger and would provide fertile ground for scientists' skills.

Second, establish a job bank. This would enable scientists to seek alternatives to the Hobson's choice of poverty in their homeland or prosperity under an aggressive regime. The job bank would include academic and research positions as well as jobs in the nuclear and related fields.

Third, set up a fund to guarantee the right of first refusal. Scientists and technicians would know that an offer from a country interested in developing weapons of mass destruction would trigger a Western counteroffer for peaceful work. (Safeguards against fictitious and exaggerated offers would attempt to prevent bidding wars for the specialists.) Most scientists would undoubtedly prefer a reasonable wage to spend in the United States to riches that had to be spent in Baghdad or Tripoli.

To ensure adequate funding, the administration could seek tax incentives for participating companies.

If economic conditions improved in the republics, most scientists would probably want to stay home, so the cost to U.S. businesses financing this program would be minimal.

The administration could seek to expand emigration law that gives priority to people with special skills so that it would be easy for scientists and technicians to settle in America.

Emigration law could also be used to discourage scientists from heading toward aggressive regimes. For example, Washington could bar those who go to work in designated countries from working or living in the United States (and in other Western countries that cooperated). The prospect of permanent exile in, say, North Korea would provide a strong reason to stay in Moscow.

Nuclear proliferation is the dark side of the breakup of the Soviet empire. The Bush administration needs to do more to contain this threat than cross its fingers and encourage overburdened republic governments to keep their nuclear talent at home. American business has the knowledge and wherewithal to help.

The writer is president of Business Executives for National Security, a nonprofit organization that seeks efficiency in military spending. He contributed this comment to The New York Times.

Clinton: A Governor With a Future

By Jim Hoagland

HILTON HEAD, South Carolina — Like jazz and baseball, state government is an American art form. Few other national systems allow elected provincial leaders to command the powers and the responsibility that voters accord the 50 American governors. They are globally a rare political species.

Governors were gods in the Old South of my childhood, and in different ways in other regions as well. They fashioned their mantles from the threads of states' rights or precinct politics, and hurled thunderbolts at outside agitators and bureaucrats who sought to change the way they ruled their people. Presidents were allies or nuisances, but not political sovereigns.

That was then. Now, in a time of recession and slipping national confidence in the future, statehouses are the focal points for difficult and often unpopular decisions on taxes, jobs and community services. Electorates refuse new taxes and the federal government downloads as many of its burdens as it can to the states. Last year 37 of the 50 state chief executives had to confront the likelihood of substantial budget deficits, while their constitutions forbade them to run any deficit at all.

This was the kind of dilemma that Mario Cuomo said prevented him from running for president. In contrast, success at managing the new pattern of shrinking resources and rising demand at the state level powers Bill Clinton's serious run for the Democratic nomination to oppose President George Bush.

The contrasting examples of statehouse activism that Mr. Cuomo and Mr. Clinton provide and the domestic passivity of the Bush administration mean that the key decisions and innovations for America's post-Cold War national agenda are likely to come again out of the state capitals rather than from Washington in the 1990s.

Mr. Clinton was one of a handful of current or former governors who left political consultants and pollsters at home and brought their families to this coastal resort during the holidays for a long weekend of relaxed conversation on America's future, reflection on practical politics and some golf. They mingled with about 100 business executives, academics, jurists and other professionals who with their families were invited to this low-key seminar. The problems of the states dominated the informal exchanges.

At 45, Mr. Clinton has been governor of Arkansas for more than a decade. His engaging, genuinely open personality and his experience at the state level present a total contrast with the touchy, consummate Washington insider he wants to succeed in the White House. That contrast, it seems to me, is both Mr. Clinton's chief strength and his chief visible weakness in this particular election year.

After Jimmy Carter, is America ready to risk another nationally inexperienced, centrist and Southern president? That is the question that Mr. Clinton's chief primary opponents will suggest, and that Mr. Bush would toss at him like a hand grenade in a general election campaign. This governor, so different from Mr. Carter, has to be able to disarm that question to win. He has given a series of detailed campaign speeches to dispose of the "Where's the beef?" question early, but he has been only partly successful.

In conversation, he seems to be still feeling his way on the details of foreign policy. He shows none of the stiffness and stubborn assuredness of Mr. Carter on world politics. But he brings an impressive edge and conviction to even the most relaxed discussion of what needs to be done to train and educate America's youth for an internationally competitive future.

Despite a formative experience as a Rhodes scholar, Mr. Clinton is the product of an American system that tailors power to human dimensions at the state level. One of his colleagues here told of asking a group of senior citizens why they were besieging his office to protest a cut in federal benefits. The answer: "We came to see you because you are here."

Mr. Clinton has spent his political career in that "here" — that is, in his state capital. That could count decisively against him in a run against Mr. Bush, who will legitimately spotlight his record as a war hero both as combatant in World War II and architect of Operation Desert Storm.

Even if he accomplishes nothing else this year, Governor Clinton has established himself as an important force for the national future. As Washington pushes more and more of the challenge of governing down to the states, the leadership that Mr. Clinton is demonstrating in Little Rock, and that others show in other states, has to become an overwhelming asset in 1996 and beyond.

The Washington Post.

The Record: Kennedy On Vietnam

By Leslie H. Gelb

NEW YORK — On Oct. 11, 1963, President John Kennedy issued top secret National Security Action Memorandum 263. In it he called for stepped up training for South Vietnamese forces so that they could take over the duties of U.S. forces and thus permit the bulk of Americans to withdraw by 1965.

Based mainly on that document, Oliver Stone's "JFK" movie asks us to believe one of the great historical "ifs" of the century: that if the young president had survived through a second term, the United States would have been spared the ordeal of full-scale war in Vietnam.

It is fair for Mr. Stone or anyone to take up that historical sword. But on a matter that remains so raw for so many Americans, it is gross of him to distort the record, and foolish to be so confident of decisions that Mr. Kennedy would have made in circumstances he never had to face.

Mr. Stone makes swaggering assertions about mighty unknowns. First, he maintains that J.F.K. was going to abandon South Vietnam to a Communist takeover. Second, he tells us that right-wingers (from the FBI and CIA to the Mafia) believed this, and killed the president to put Lyndon Johnson in the White House and ensure that the United States would stay the course in Vietnam. I am competent only to address the first point.

To begin with, NSAM 263 was grounded in one of the few periods of genuine optimism about the war. So J.F.K. had some basis for believing that the war might be won soon and that U.S. forces could be withdrawn — without a Communist victory. Put another way, J.F.K. might never have issued the directive if he had thought it would mean losing the war.

While some officials took the directive at face value, most saw it as a Kennedy bureaucratic scheme to regain control of the leaping American presence in South Vietnam — up from about 700 in 1961 to almost 17,000 in late 1963. The idea being: To keep force levels from going up, order them to go down.

Most officials also viewed the withdrawal memo as part of a White House ploy to scare President Ngo Dinh Diem of South Vietnam into making political reforms. Without reforms, many officials believed, the war they thought so vital would be lost. That is precisely how the State Department instructed the U.S. Embassy in Saigon to understand NSAM 263.

The clarifying event was, of course, the coup against Mr. Diem and his powerful brother-in-law, Ngo Dinh Nhu, on Nov. 1. It was fully supported, if not inspired, by the United States in good part because of fear that Mr. Nhu was conspiring with North Vietnam to "neutralize" the South.

In other words, the Kennedy team felt that Mr. Diem and Mr. Nhu might be selling out to the Communists. Whatever J.F.K.'s precise intentions, the removal and killing of Mr. Diem profoundly increased America's political responsibility for the war.

As for Mr. Kennedy's underlying thinking about the war, that is a murky matter. In the last weeks of his life he gave sharply diverse signals as befits a president trying to keep open his options, especially before an election. To CBS he said: "In the final analysis, it is [the South Vietnamese] who have to win or lose this struggle." Then he added, "But I don't agree with those who say we should withdraw. That would be a great mistake . . ." To NBC he said he believed "the domino theory," whereby the fall of Saigon to communism would lead to the collapse of America's position throughout Asia.

Brushing aside these complications, some have argued that Mr. Kennedy had gained self-confidence from successes like the Cuban missile crisis and would not have felt the need to prove himself in Vietnam — as did Lyndon Johnson. Soon after the assassination, Ted Sorensen painted a more tortured picture of J.F.K.'s thinking.

"The struggle could well be, he thought, this nation's severest test of endurance and patience," the Kennedy intimate wrote. "He was simply going to weather it out, a nasty, untidy mess to which there was no other acceptable solution."

These words carry great weight. They echoed the private soul-searching of Dwight Eisenhower and foreshadowed almost precisely the documented dilemmas of Lyndon Johnson and Richard Nixon. These torments are not to be trifled with by Oliver Stone, or anyone, however many men shot J.F.K. for whatever lunatic reasons on that tragic November day.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Garrison Fashion

BERLIN — The appearance of the German Emperor and his staff, at the issuing of the password to the Berlin garrison on New Year's Day, in the new light-gray overcoats, suggests that this garment has been finally selected for the troops, and that the old black overcoat will be abolished. Experiments have been made with various regiments during the last twelve months with overcoats of various shades of gray, which have led to the conclusion that light gray is the color least distinguishable at a distance.

1917: Tool of Morality

NEW YORK — Senator Hamilton Lewis of Illinois, an intimate friend and a confidential adviser of the President, said in the Senate: "I agree with anyone who says that the war cannot be prolonged without America being drawn into it. I do not think we shall any longer permit officers of foreign armies and diplomatic agents to cause harm to this country and escape punishment with the excuse that orders were misunderstood or that officials acted with too much zeal. America's an instrument of morality. She cannot allow herself to be content with excuses, and will inflict ... in so far as lies in her power, punishment for all damage of this kind."

1942: Toiling Führer

BERLIN — [From our New York edition:] War tasks have kept Führer Adolf Hitler steadily at his headquarters in eastern Europe since the German-Russian campaign started, Dr. Otto Dietrich said today [Jan. 6], urging "complete trust in victory." The Nazi press chief's declaration was published in all German newspapers. "Der Führer has been devoting his life entirely to the solution of gigantic tasks. The enormous burden of work resting on Der Führer's shoulders made it even impossible for him to spend his Christmas amidst his troops in the foremost front lines."

هكذا من الأصل

OPINION

Democracy, Then Human Rights

By Stephen S. Rosenfeld

WASHINGTON — Freedom House and Human Rights Watch invite us to consider whether history is not in fact sweeping us into a grand new era — and whether the American government is doing enough to help history along.

To the first question Freedom House *carefully* says yes, to the second Human Rights Watch sharply says no. In the tension between them — between the Qs as well as the As — lie some of the *United States'* most difficult policy choices of the '90s.

To observe, through Freedom House's annual Survey of Freedom in the World, the global progress of democratic government in the last three years is to realize that we are lucky enough to live in a special time. The progress is neither complete nor irreversible, but it is broad and steady and heartening. It suggests that freedom, defined mostly as electoral democracy, is not culture-bound but is accessible to almost everyone, that it is a universal value, not peculiarly Western.

Not that Freedom House, in its pride in its product, is at ease about the prospects. It worries about backsliding, distractions and slowdowns. R. Bruce McColm, the group's director, warns that for all the good it has brought, termination of the Cold War does not dissolve the social conflicts and conditions that have "shaped the contours of debate and war over the past 75 years."

On the contrary, the collapse of communism and of authoritarian states around the world is releasing "long-*repressed ethnic and national antagonisms* rooted in a longer historical memory." Exhibit A is Yugoslavia.

A bit more hopefully, however, Mr. McColm suggests that even more is going for pluralistic democracy than the fading of Soviet power and ideology. There are "impersonal historical factors such as the integration of the global economy, the cross-boundary appeal of new information technologies and the growing desire of nation-states to become reintegrated into larger regional economic and political communities." *Exhibit B is China*, whose (partly) liberated economy is at war with its repressive political self.

All this bears on the role of U.S. foreign policy in advancing the cause of freedom. America's role can be distinguished from the general march of history and from the independent ways in which American business, American technology and American society act in the world.

Freedom House tends to put responsibility for moving to democracy on the people and leaders of a given country, on its own institutions and politics. Its traditionally liberal premise is that while various things can keep a society down, societies finally pull themselves up. Certainly this is the lesson to be drawn from the former Soviet bloc's *transformation* in the last few years.

Human Rights Watch takes another tack. Its concern is human rights — not the same as democracy. Democracy centers on procedures and institutions for choosing governments. Human rights centers on performance of governments. As the example of Third World countries like El Salvador shows, a democratically elected government can have great trouble ensuring human rights.

But to go on from there with Human Rights Watch to dismiss a focus on elected governments as mere "electoralism" is shallow and unfair. In many cases, these are precious and hard-won gains. Elections establish the grand principle of accountability. First you must have an electoral system, and only then can you improve the elected government's performance and extend its reach over other, resisting sectors of the society, like the military or the economic elite.

Human Rights Watch finds the Bush administration selective on enforcing human rights abroad. The administration pushes hardest, it says, where the effort is "cost- and conflict-free" and does not bump other American interests.

You can agree with this proposition and think that the administration is soft on human rights in places like China, and still grant that selectivity is not a high crime but a necessity of governance. There is a time for hollering and a time for mumbling — and a constant requirement to identify the difference.

You can also take a certain cheer from the observation that the progress of civic *virtue in China and similar retrograde* places does not depend entirely on the ardor of the U.S. government. Americans have a part, but so do the Chinese, and meanwhile those "impersonal factors" of living in the modern world are at play.

The Washington Post.

'I'm concerned about jobs, jobs, jobs! — my job, Dan Quayle's job, my speechwriters' jobs . . .'

Catching the Spirit of Rio, The City With Other Ideas

By Julia Preston

RIO DE JANEIRO — You walk into a bank to cash a check on a seasonably steamy December day. At the counter window you are greeted by a teller dressed in a Rio de Janeiro business suit. That is, she is wearing shorts cut from a gray tweedlike cloth that barely reach the top of her thigh, and a broad-lapel jacket buttoned at the waist with no blouse, only an extensively revealed and revealing black lace bra.

If you are new to Rio, you must be careful not to show any surprise. The only ogler in the bank line will be you.

Observers of Rio's illustrious annual carnival cannot fail to note the tendency of cariocas, as Rio residents are called, to gravitate toward nakedness. But carioca informality goes beyond displays of corporeal endowments. Although Rio, with its population of 11.4 million, is the world's 10th-largest city, its residents are peculiarly reluctant to adopt conventional rules of civilization. Rio is a city in form, but not in spirit.

Perhaps this is the result of its setting. Much of Rio is squeezed in among rocky hills so precipitous that no one can live on top of them. On the south it is bound by surf-battered beaches, and from its heart rises Tijuca National Park, a vast and tenebrous tropical forest only minutes from downtown. From nearly every vantage point there is some visual reminder that the state of nature is not far away.

Just behind the skyscraper at Rio Sul, a sleek office building and shopping mall that is a monument to Rio's modernity, wild goats graze on a steep slope. Rio is also inhabited by a variety of snakes, which can turn up twisting languorously around the planted palms at apartment building entrances.

Urban mores never prevail completely. In Ipanema, the swank beach-side neighborhood, the sidewalks of the frenetic business district are shared by crisp executives with ties and briefcases and barefoot surfers clad only in the briefest swimming briefs.

After the summer rains end in April, the hills above Rio are engulfed in tall plants that flourish in moist heat. To control the overgrowth city workers often resort to an approach to landscape management that has gained Brazilians global notoriety: They burn. There is no reason to be alarmed when an entire hilltop above a crowded residential community becomes a crackling torch, illuminating the evening sky.

Though countless cariocas require cars to get around and are renowned for their homicidal driving, they resist institutionalizing the dominion of the automobile. For example, they don't like to put road signs on highways. City streets, even obscure cul-de-sacs, are carefully identified with ceramic plaques and heroic titles. But on the main artery out of Rio, the only turnoff onto the expressway to São Paulo is not marked.

Similarly, in the center of Rio sits the Maracana soccer stadium, said to be the world's largest, with room for 200,000 spectators. It has no parking lot. Fans park in surrounding avenues, knotting traffic in every direction for hours. No one seems to think it should be otherwise.

One local resident who personifies the carioca disdain for conventional citification is a taxi driver, J. Moura, better known as "the Kisser." For the past decade, Mr. Moura has made it his business to try to sneak past the security guards of most of the major figures who have appeared in public in Brazil, in order to plant a long, loud kiss on the personality's cheek. He began with Frank Sinatra in Maracana stadium in 1980. Soon after, he struck again with Pope John Paul II but, out of respect, limited himself to kissing the pontiff's feet.

Bishop Desmond Tutu and the rock star Peter Gabriel have been kissed, along with many of Brazil's prominent politicians. Most recently the Kisser was arrested moving toward the generous jowl of Luciano Pavarotti. Baffling security contingents is a key part of Mr. Moura's campaign. The more the burly bouncers try to impede his displays of affection, the greater the triumph of a successful smack. In writing about Mr. Moura, the Fôlha de São Paulo newspaper noted that, consistent with the carioca style, in Brazil the serial killer has become a serial kisser.

The Washington Post.

LETTERS TO THE EDITOR

The UN Guards in Iraq: A Model for Relief and Security

In response to "How the United Nations Can Break Up Civil Wars" (Opinion, Dec. 31) by Brian Urquhart:

Brian Urquhart, one of the fathers of United Nations peacekeeping, trenchantly addresses the continuing inability of the United Nations to help put an end to the bloodshed and devastation *engendered in current civil conflicts.*

To the three options he lists — traditional peacekeeping, collective enforcement under the Charter's Chapter VII, and "armed police actions" under Article 43 — I would like to add a fourth: the deployment of United Nations Guards, an alternative by now well tried and tested in the crucible of postwar Iraq.

The guards contingent formula was designed to meet a complex tissue of humanitarian, security and political challenges — a daunting mix of circumstances that we see reflected in other crisis areas today. Massive relief was needed urgently in Iraq but its provision was both ineffective and insecure in conditions of civil war. The departure of the *coalition forces from northern Iraq* was viewed with great trepidation by the Kurds, yet recourse to peacekeeping under the Security Council was not considered politically viable.

We had to improvise. The aim was a degree of security without the Security Council, of peace without peacekeeping, of international action without intervention. The guards' mandate bridges the chasm between relief and security.

Assigned to protect UN personnel and resources, they observe, monitor and report throughout their areas of deployment. They have come to constitute a crucial stabilizing influence. The eyes and ears of the United Nations, *they assure a highly visible international* presence and attention.

What began with a mere 10 guards and a solitary UN flag at a camp at Zakho close to the Turkish border eight months ago has evolved into a well-established, 500-strong contingent of 35 nationalities. The experiment has proved its worth.

North and south Iraq remain volatile in the extreme, but 1.8 million refugees have returned across the borders and vast quantities of relief supplies have been provided, in both cases safely escorted by the guards. Their assignment is accepted by all sides and considered indispensable by UN agencies and nongovernmental organizations as well as *by the Kurds and others assisted.*

Conditions in Iraq in the aftermath of the Gulf war are sui generis, but the innovation of the UN guards merits scrutiny for emulation elsewhere. Indeed, the concept was recently considered by some for Dubrovnik, but was set aside in favor of the larger peacekeeping option.

Possible permutations on the formula could include its adoption by the Security Council, entailing the imposition of guards with an added political impact. In Iraq, however, the contingent is fully integrated in the humanitarian program and deployed with the concurrence of the government.

The mere deployment of guards will be no panacea for the strife born of ancient resentments, of rights long denied or ethnic rivalries rekindled by economic deprivation. Whether in Iraq, Yugoslavia or Somalia, guards or peacekeepers can only be an element in a broader political package — they are no *substitute* for a *solution.*

Yet they can help to contain conflict and create confidence. They set a climate within which aid can be delivered; indeed, guards could become a standard component of humanitarian assistance. Where existing structures fall apart, even a small international presence forestalls a dangerous vacuum. And to bring relief to those yet to benefit from the "new order," we have to try every new approach that international ingenuity can devise.

SADRUDDIN AGA KHAN.
Geneva.

The writer, former UN high commissioner for refugees, was the secretary-general's representative for humanitarian efforts in Iraq.

Ask the Irish Question

Other European countries use the referendum, why not Britain? How about calling for a vote on the Irish situation? It would be democratic and enlightening to see how the average Englishman, Scotsman or Welshman feels on the subject.

G. C. SALLAD.
Paris.

Von Habsburg's Beliefs

As one of the few surviving Jewish university professors in my field in Austria, I wish to comment on a reference to Otto von Habsburg *("Serbs May Try to Kill Genscher, Germany Says," Nov. 29)* as "a rightist member of the European Parliament."

Otto von Habsburg was regarded as Public Enemy No. 1 by the Nazi regime after the German takeover of Austria. I remember seeing his photo outside police offices, with the legend, "Wanted for Treason to the German Reich." A price was set on his head and on those of his family members. He narrowly escaped being arrested by the Vichy police during his flight from Belgium to Portugal and the United States.

In Toulouse, he had the courage to interrupt his dangerous trip to help thousands of stranded Austrians of my religious faith and many socialists who were interned there. He had inherited from Emperor Charles the position toward minorities and different ethnic and religious groups that Emperor Francis Joseph displayed when he referred to anti-Semites as "a plague."

I am always cautious about using terms such as "rightist" and "leftist," which can smear the reputations of honest and heroic people, whatever their political convictions may be.

THOMAS CHAIMOWICZ.
Salzburg.

An Apt Appreciation

Regarding "King of 'Fruits Confits'" (Leisure, Dec. 27):

After two years of searching, we chose to settle in the outskirts of Apt because it encompassed the charm and hospitality of Provence and the scenery of the Luberon. Far from being "cheerless, sinister" and populated by "left-over hippies," it is a bustling, prosperous, self-supporting and attractive small town with old buildings, restored plazas, pedestrian streets, and plentiful trees and parks. Unlike so many nearby villages and towns, it does not live off tourists. A big Saturday market, a fine Romanesque cathedral and cultural activities are supported by the residents. Many artists live and work here, in what once was the capital of Provence; their works are exhibited throughout Europe. We are free of purse-snatchers, beggars, car thieves, drug addicts and hippies, but have lots of cheerful, friendly people who welcome visitors 12 months a year.

THOMAS ROSENBERG.
Apt, France.

What's Good for America

As an American consumer and taxpayer, I am outraged that U.S. car manufacturers are accompanying President George Bush to Japan at public expense. I feel betrayed as a consumer because the automakers hope to restrict imports of Japanese cars. These are high-quality, high-value products that enrich Americans' lives. I feel betrayed as a taxpayer because U.S. executives are paid far more than their Japanese counterparts; neither they nor their firms need government charity. What's good for General Motors *is not necessarily good for America.*

STEVEN GLICK.
Bruges, Belgium.

. . . and That's a Long Time

At the beginning of his current tour, President George Bush told the Australians that "we will stay involved right up until the very end of eternity." An immortal phrase if ever there was one.

ANDREW DAVIDSON.
Paris.

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GENERAL NEWS

U.S. Warms to New Ties With Vietnam

Analysts Cite Cooperation in Hanoi and Pressure From American Business

By Michael Richardson
International Herald Tribune

SINGAPORE — Greater cooperation from *Hanoi and pressure from the American* business community for access to markets in Indochina are prompting the United States to hasten the ending of its long feud with Vietnam, analysts said Monday.

Some U.S. officials and business leaders accompanying President George Bush on his Asian tour expect him to authorize the lifting of a 1964 trade embargo against Vietnam within nine months, to be followed by diplomatic recognition.

Such a move would be welcomed by noncommunist nations in Southeast Asia. They are encouraging free-market changes, trade and investment in Vietnam so that Hanoi will continue to develop ties with the region and dispel several decades of mutual hostility.

Until recently, analysts suggested that the Bush administration would be unlikely to establish normal relations with Vietnam before the U.S. presidential elections in November for *fear of upsetting* Vietnam veterans and relatives of U.S. servicemen missing in action.

Analysts believed it would take Vietnam at least until 1993 to fulfill two conditions set by Washington for normalization, the full accounting for MIAs and full cooperation in settling the Cambodian conflict.

However, in what appeared to be a sign of U.S. readiness to proceed more quickly, Mr. Bush said in Singapore on Saturday that the United States, after being "strong, determined and patient, finally can entertain realistic hopes of building lasting ties of interest and affection" with Cambodia, Laos and Vietnam.

Mr. Bush announced that Washington was lifting a 1975 trade embargo on Cambodia to hasten the process of economic reconstruction and political reconciliation under a United Nations peace plan signed in Paris in October.

He said that the United States was normalizing ties with Laos and had begun to move along a similar path with Vietnam.

Mr. Bush noted that the Association of South East Asian Nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — was "trying to help the former Communist states in Indochina reintegrate themselves in a world that respects free markets and free people."

Asked in Singapore if an end to the trade embargo imposed on Vietnam was imminent, Mr. Bush said it would be "a little premature to answer in the affirmative."

The United States, he said, first wanted "total assurance that we know the fate of every American" missing in the Vietnam War.

The U.S. Defense Department lists 2,273 servicemen unaccounted for in Indochina. But a spokesman for the U.S. office in Hanoi trying to settle the issue said recently that the fate of only 82 MIAs remained unresolved.

In April 1991, the United States laid out for Vietnam a step-by-step program of normalization in exchange for cooperation by Hanoi on MIAs and on Cambodia. An official traveling with Mr. Bush said the United States was "ready to move on as quickly as the Vietnamese can move with us."

The U.S. embargo blocks all American business dealings with Vietnam. *It also bars loans to* Vietnam from the International Monetary Fund and the World Bank.

Without those loans and the foreign investment they will help bring in, Vietnam faces an uphill battle in restructuring its economy along market-oriented lines.

The U.S. business community wants to see the embargo on Vietnam lifted as soon as possible, said Maurice R. Greenberg, chairman of the U.S.-ASEAN Business Council.

U.S. businessmen in Asia have complained that they are losing sales and investment opportunities in Vietnam to competitors from other countries that are not constrained by an embargo.

Promoting U.S. exports has been one of Mr. Bush's main objectives on his Asia tour.

C. J. Silas, chairman of the U.S. Chamber of Commerce, said he was encouraged by Mr. Bush's comments on Vietnam. As a result, he said, the normalization process might proceed "a whole lot more rapidly than we might have imagined before."

Senate Panel Will Press the POW Issue

New York Times Service

WASHINGTON — State Department officials are expected to meet this week with Major General Oleg D. Kalugin, the former KGB officer who reported in October that Soviet officials interrogated American prisoners in Indochina after the time that Vietnam said it had freed them.

General Kalugin, who has already been interviewed in Moscow by U.S. Embassy officials, is also expected to testify in the next week or two at a closed session of the Senate Select Committee on POW-MIA Affairs.

This week, the panel will begin interviewing former intelligence agents or servicemen who had access to secret information in the 1960s and 1970s and who have reportedly offered to testify that the United States knew more about the location and fate of missing Americans than subsequent administrations admitted.

Some members of Congress predict that the panel's findings will move the U.S.-Vietnam relationship from the foreign policy arena to domestic politics.

Representative Robert G. Toricelli, Democrat of New Jersey, said he would guarantee that the issue would be brought up in this presidential election year, and that this would not be confined to the campaigns of rightist Republicans who want to continue denying recognition to the Communist government of Vietnam.

U.S. officials have insisted that progress on establishing relations with Hanoi would depend on Vietnam's willingness to furnish information about 2,273 Americans who officials say remain unaccounted for. They are listed in records either as prisoners of war or missing in action.

On Friday, the State Department said it had supplied a list of names of missing servicemen to officials of several former Soviet republics.

Richard A. Boucher, the deputy State Department spokesman, said leaders of one of those, Kazakhstan, had offered to allow U.S. officials to visit a high-security military installation at Sary-Shagan, 245 kilometers (150 miles) northwest of Alma-Ata, the Kazakh capital, to investigate a report that American prisoners had been taken there from Vietnam.

Hanoi, stung by the allegations that it held American prisoners after the 1973 withdrawal and the fall of Saigon in 1975, told a visiting American congressman on Friday that investigators should come and see for themselves that the charges are not true.

"They flatly denied these, as expected," Representative Stephen J. Solarz, Democrat of New York, said by telephone from Bangkok after leaving the Vietnamese capital. "They are still hopeful of better relations with the United States. But a lot depends on how convincing the Kalugin evidence is."

■ Conflicting Statements

A former KGB agent denied Monday that he had questioned several American prisoners of war in Vietnam after the war ended, The Associated Press reported from New York.

The former agent, Oleg Nechiporenko, said on NBC-TV that he interviewed a single American, in 1973, the year the North Vietnamese released American POWs.

Mr. Nechiporenko was interviewed sitting next to General Kalugin, who had said that at least three American prisoners were questioned by Soviet agents in Vietnam in 1978. He said Mr. Nechiporenko was the source for his information.

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On Knickknack Front: Cold War Collectibles

By Patricia Leigh Brown
New York Times Service

NEW YORK — The Cold War ends. A new collecting opportunity begins. History take note: Norman Brosterman, lone devotee of the Techno-Future, was there.

At the "Modernism" antiques show in Manhattan last fall, Brosterman showed the world the meaning of modernism, as defined by Norman Brosterman.

While other dealers gloated over their Stickley and Art Nouveau, Brosterman showed up with paintings of enemy missiles zooming over Washington and mannequins in NASA helmets and space suits decked out for the space race. "Courreges?" a passer-by asked, looking at one of the silver suits. "Grissom," Brosterman replied.

Dith Pran/The New York Times

Brosterman with space souvenirs.

A 39-year-old Manhattan antiques dealer, Brosterman was feeling a bit philosophical as he looked over his collection, which includes a bronze ray gun, a wooden model of a third-stage rocket and moody landscape paintings that forsake willows and waterfalls in favor of searchlights, missiles and mushroom clouds. "There's something sweet about it," he mused. "The Cold War is already looking antique."

If his sales at the "Modernism" show are any indication, Brosterman is either out of his mind or ahead of his time. But he is unwavering in his belief that the 20th century will be remembered not for uncomfortable furniture but for "the big idea," or what he described as "the great big dream of breaking away and leaving the planet at high speed."

For him, the enduring imagery of the century is to be found in a pair of low-tech Project Gemini space gloves with light bulbs on the fingertips, and in eerie paintings of nuclear devastation and futuristic cities-of-tomorrow under the sea.

Paintings by Alexander Leydenfrost, Ray Pioch, Chesley Bonestell and other artists who worked from the early 1900s through the 1960s and drew evocative renderings of the future for publications as diverse as Life and Mechanix Illustrated are more than pretty pictures to Brosterman.

This little-known genre of art and design, which flourished among artists and designers long before much of it became reality, does not have a name. For now, Brosterman is calling it "The Art and Design of the Techno-Future."

The themes range from the Red Menace to the exploration of the solar system, but they share a celebration of technology and what Brosterman calls a gee-whiz vision of the future.

Today, the hyperbolic imagery of the Cold War seems particularly distant, glinting in the memory like a meteor in the sky. "Missiles! Plutonium!" Brosterman exclaimed. "So much anxiety! So much money!"

Some of these artists, coincidentally, will be included in the exhibition "Blueprint for Space: Science Fiction to Science Fact," which opens on Jan. 14 at the IBM Gallery in New York.

Brosterman, who practiced architecture until the early 1980s, achieved a bit of fame several years ago for his extensive collection of architectural building blocks, which are now part of the permanent collection at the Canadian Centre for Architecture in Montreal. He said he learned more about modern design from those toys than in architecture school.

Now a part-time sculptor, Brosterman stumbled onto the Techno-Future while attending antiques auctions and browsing at flea markets. "The architect in me was always looking at drawings and technical things," he said.

Several years ago, he started noticing a type of modern art he had never seen before. "I didn't know what it was, exactly," he said. "It had a certain take on the 20th century, but it wasn't a movement I had heard of."

Brosterman began buying, selecting drawings, paintings and sculpture he deemed iconic. He has procured material from the artists themselves and from advertisements in the back of comic-book collector magazines.

Among his prized possessions are a pressurized right-hand Gemini spacesuit glove that is marked "Size: Shepard"; space suits made for Gus Grissom and Edward White, and a Project Mercury helmet, which he said was bought from a dealer who bought it from a friend of an astronaut. The space suits are for sale for $20,000 apiece.

Clockwise from top left: From "Starck," a 1989 chair; from "Le Laguiole," components of the famous knife; from "Qualité de Vie," an appliance demonstration (Sygma) and a pétanque ball.

Name-Brand Mania: Objects and Designers

By Katherine Knorr
International Herald Tribune

PARIS — It's become a cliché to say that the 1980s were the greed decade and so, in another context, the designer decade, but it would be nice indeed to think the '90s might be the generic decade, when you won't have to read other people's jackets, purses or shoes, or buy kitchen appliances that seem to come out of Star Wars. After all, haven't we all been ralphlaurened and philippestarcked to death?

Well, dream on. Still, there seems to be a sense in the design marketing biz that enough is enough, the customer is tired of being a walking ad, good old-fashioned quality (or a close enough imitation) sells, the "real thing" and everything vaguely "ecological," which has brought new fame (minerals as knickknacks and so on) to the French company Deyrolle, which is, after all, a taxidermist.

The bookstores are still full of all those holiday-timed books — and some of them are on sale now — giving us a glossy glimpse into the uninhabited houses of people who are brand names and share with us their Louis XV chairs and Mondrian walls and 19th-century bathroom fixtures like so many other brand names, with just the right light through the velvet curtains and the fruit looking like faïence. What we need is the anti-coffee table book.

Since the art of marketing "design" is to make you feel you're putting down your good money not for coffee cups but for an act of creation, the lines between "writing" about *design and just plain advertising copy are pret*ty hopelessly blurred. Cheerfully ignoring the problem, a French journalist has just published a curious little book, an ode to brand names, to the humdrum, the practical and the discardable, with lovely black-and-white pictures by François Boissonnet and a quirky and none-too-successful attempt to give all these things a "history." Some have indeed become icons, like the Solex, which is no longer made, but others just seem to be one brand among many, and so we bob along from the sublime to the ridiculous, depending on your perspective, but with a true taste of France. "*Qualité de Vie: Objects des Valeurs Quotidiennes*," by Ermine Herscher, Editions du May.

For another taste of France, a beautiful little book celebrates the Laguiole knife. All lovers of French high-quality artisanship will cheer the famous knife with the bee motif that originated in Laguiole in the Auvergne. Caveat emptor, this book is about the Laguiole (registered brand) knife (other brands exist) and celebrates its coming back to its artisan roots and — this would seem completely inconsistent — the designing of a new factory by the ubiquitous Philippe Starck. Some years ago he designed a knife as well, and so we have not the Laguiole, but the Starck Laguiole. The factory has a big knife blade sticking out of it. The most beautiful pictures are of old Laguioles. So it goes. "Le Laguiole," by Philippe Saglio and Philippe Wolff was produced by Philippe Saglio and independently printed. The ringbound, boxed book can be found in specialist bookshops.

Which brings us to Starck himself, a brand *name if ever there was one, who has just* brought out his complete works. Here is the Café Costes and the Royalton Hotel, the weird chairs, the flame motif, and of course the mutant-insect lemon-juicer and the perilously-leaning kettle, now to be found in the windows of every housewares shop in Paris and a whole lot of others around the world. Last but not least is the Starck toothbrush, which comes with a little holder, making it look for all the world like a dollhouse toilet brush. This book is refreshing, however, in that it comes in three languages (French, English, German) and is not too expensive. It's a paperback coffee-table book. "Starck," with text by Olivier Boissière, Taschen Verlag.

STYLE MAKERS

Daniel Beranger

DRESSING THE NEW EAST

PARIS — The last thing anyone was thinking about in Prague in December 1989 was what to wear. This was the month of Czechoslovakia's Velvet Revolution. But one resident of Prague had already started designing clothing intended to see the Czechs into their brave new world.

"When I first moved to Prague, the idea was that I would be designing and producing clothing for export, but after the revolution I saw that there would be huge opportunities there, as well as in other former Eastern bloc countries like Poland and Hungary," says Daniel Beranger, a 41-year-old French designer who has worked in fashion for more than 20 years, lived in Prague for four, and who aspires to becoming the most important designer in the former Eastern bloc.

"The Communist government never conceived of clothing in anything other than functional terms or as an export needed to obtain other necessities. Czechoslovakia has a large garment industry but much of its output was exported to Russia in exchange for gasoline. So styling didn't matter and the main fabric was polyester. Suddenly, people are free to travel and buy Western publications and they want the luxury of choice and the type of clothing they see in the West. They can't afford to import clothing, though, so it must be domestically produced and that's where the real challenge comes — designing affordable contemporary clothing for people who have lived in an almost total fashion vacuum for nearly half a century."

Beranger has not abandoned plans to export the Czech clothing he designs, however. "East and West both basically want the same *thing — good quality, well-styled basics with some subtle personality* and an aura of luxury — but of course for different reasons. My clothing seems bold to the Czechs and very classical, but with a twist, to Westerners. And people in the West are a bit burned out on fashion, while in the East they are still timid about buying clothing. What East and West have in common is absolute liberty in fashion, in the West because people refuse to be dictated to, and in the East because they finally have real variety in what they can buy."

"Perhaps the greatest difference is that most Czechs with money still want clothing that says, in no uncertain terms, that they have money. Their taste is rather German, actually. While in the West, the trend is constantly toward clothing that expresses one's individuality."

WHAT works East and West are such items as wool and cashmere overcoats for men and women in rich earth colors, dark wool suits for women with modified '40s cut, three-button blazers for men, and neo-American sportswear. "I'm not trying to be Jean-Paul Gaultier," Beranger says of his label, Europa, but it appears that no one wants him to be. Outside of Czechoslovakia and Hungary, his collections — he does 16 different lines, including men's, women's and children's wear, juniors, jeans, shoes, accessories, jewelry, lingerie, luggage and home linens — sell well to boutiques in France, Germany and Japan. Currently, he is planning a flagship boutique in Prague.

It wasn't fashion that first attracted Beranger to Prague, he says. "I first visited in 1987 and was completely seduced by the beauty of the city," he recalls. His first trip led to many more. Beranger eventually made an appointment with Centobex, the state agency that supervised the country's clothing production, motivated by his discovery that in spite of its drab appearance and utilitarian fabrics, Czech ready-to-wear was produced to standards as good as those in Italy and at lower cost.

"The handwork in Czechoslovakia is of the same caliber as Hong Kong, but at less cost," he says. "When I see people from stores in the West, they are amazed by the quality. But that's because we completely lost any real idea of this country during the last 50 years. The Czechs are an extremely cultivated people and before the war it was one of the most industrialized countries in the world. And I foresee the day in the not too distant future when Prague becomes an important fashion center."

A native of Grenoble, he graduated from the Chambre Syndicale de la Haute Couture in Paris, was an assistant at Dior, and designed on his own for several different companies, including Emesse and Ballantyne. While living in Italy for seven years, he worked for a variety of manufacturers.

"I think I was looking for something that would excite me professionally," he says. "The fashion boom of the late '70s and '80s was ending, and I wanted to find a fresh way to view my work. Then in Prague I rediscovered how important clothing really is. Fashion can be a major force for social change, and clothing shapes our perceptions of who we are. I'd never seen this so clearly until I came to Prague."

Though there have been problems since Czechoslovakia's bloodless revolution, Beranger says that the original excitement is still there. "Prague is just on the edge of a huge creative explosion. You can feel it in the air, and it stimulates all the creative people who live here. Beyond fresh vegetables and Japanese food, there's nothing I yearn for in Paris. The life there is so culturally rich."

Beranger is ambitious not only for the sartorial renewal of the Czechs, but for all of the former Eastern bloc. "Following the boutique in Prague, I want to be in Bratislava, Budapest and maybe Warsaw before the end of 1993. I want to be the first label that these people can think of as their own, that they can wear comfortably when they travel to the West," he says.

Alexander Lobrano

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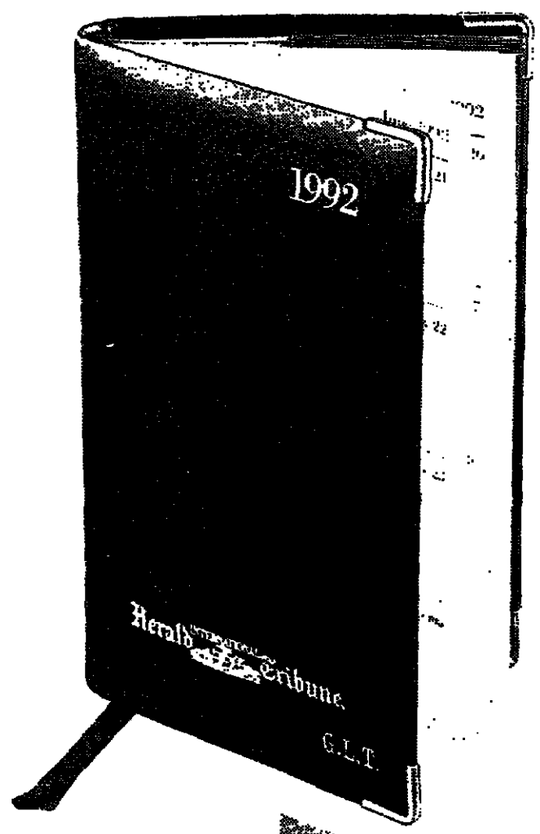

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INTERNATIONAL STOCKS

Australian Investors Need Convincing Profit Motive

By Paula Hannaford
Reuters

SYDNEY — Australian stocks could edge higher in 1992 as the economy struggles out of recession, analysts say, but they warn that any advance will be dwarfed by last year's surge, which was propelled by low inflation and falling interest rates.

The key for the local market, which has already factored in most good economic news, including the possibility of another interest-rate cut this month, would be a rebound in corporate earnings, they said.

"The market will definitely require firm advances in the corporate sector," said Nigel Weaver, managing director of Legal & General Investments.

Mr. Weaver attributed 1991 gains to the inflation rate falling to a 21-year low of 3.4 percent in the September quarter; interest rates falling to about 8.5 percent, from 12 percent; and expectations of better profits after Australia's worst recession in 60 years.

> 'The gains will be emerging at a lower rate, depending on corporate profits.'

The All Ordinaries Index ended 1991 at 1,651.4, after starting the year at 1,279.8. On Monday, the index finished 15.7 points higher at 1,675.1 after having risen 26 points in morning trade.

"1992 should be positive for the stock market overall but the gains will be emerging at a lower rate, depending on corporate profits," Mr. Weaver said. He cited the building-materials sector as one that could perform strongly as the economy improved.

John Bowie Wilson, director of Hambros Equities, said he expected major moves from resources stocks in early 1992 due to a weaker Australian dollar and an expected rise in commodity prices. "The next major call is to move into mining stocks because the industrials have had a hell of a run," he said. The All Industrials index ended 1991 at 2,609.7 points, from 1,956.3.

However, media and transport stocks, which benefit most from a turning economy, could outperform the market, he said.

OVERALL, Mr. Bowie Wilson said, the market will be patchy. "The share market's gone up 80 points in the last week or so and we think a lot of that takes care of most of the good news," he said. "The market could be ahead of itself."

Susan Fenton, quantitative analyst at Macquarie Equities, said the market was likely to be fairly flat in the March quarter. "The March quarter is not one where the flow of institutional funds to equities is good," she said.

She said the All Ordinaries should be at about 1,700 to 1,750 by end-February and at about 1,850 by June, with earnings determining the direction of the market for the rest of 1992.

For the year to June, 1992, Ms. Fenton forecast earnings per share for the whole market to grow just 2 percent. For the year to June, 1993, earnings per share should rise 27 percent. "The focus for everything that happens will be how it will impact on earnings growth," she said.

A spokesman for the fund manager GT Management Australia said he believed the Australian market was fairly valued now but had scope to improve over the next quarter. "We are pretty positive on the outlook for the market," he said. Banks would gain most from a 1 percentage point cut in official rates to about 7.5 percent, tipped to occur in the next few weeks.

Scott Hawker, vice president of equity research at Salomon Brothers, forecast the All Ordinaries to be at 1,750 in the first quarter. He said further re-rating depended on investors being confident the Australian government would maintain its inflation policy and economic restraint in general.

"The market currently is adopting a 'so far, so good' approach," he said, noting that Australia had been one of the best performers since the start of 1991.

"However," Mr. Hawker said, "the weakness of forecast earnings in Australia for the first half of calendar 1992 suggests that the All Ordinaries may now begin to underperform international markets in this high-altitude valuation region."

CURRENCY RATES

Cross Rates

Jan. 6

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.706	3.2185	1.1263	0.33	0.1492 *	—	5.4765 *	1.2677	1.3795 *	1.4965	1.745 *
Brussels	31.475	59.245	20.5825	6.0285	2.7286 *	18.2825	—	23.145	0.2519	27.345	32.423 *
Frankfurt	1.5264	2.853	—	0.293	0.1326 *	0.8879	4.858 *	1.1269	1.223 *	1.3215	1.577 *
London (a)	1.8785	—	2.8580	9.726	2,154.50	3.2087	58.69	2.5304	233.80	2.1481	180.58
Madrid						Closed					
Milan						Closed					
New York (b)	—	1.8828 a	1.516	5.1745	1,144.80	1.7074	31.285	1.3405	128.35	1.1426	96.195
Paris	5.204	9.735	3.4128	—	0.4523 *	3.0305	0.1658	3.8381	4.1745 *	4.5385	5.379 *
Tokyo	124.15	220.42	80.59	91.175	0.1068	71.55	3.9152	90.62	—	108.27	1.2722
Toronto	1.1423	2.1474	0.7531	0.2206	0.997 *	0.6686	3.651 *	0.8499	0.9244 *	—	1.186 *
Zurich	1.3405	2.531	0.8884	0.2604	0.1176 *	0.7889	4.3125 *	—	1.087 *	1.1807	1.3995 *
1 ECU	1.337	0.7148	2.0382	6.9569	1,538.72	2.2956	41.9607	1.8116	166.60	1.5332	129.446
1 SDR	1.4293	0.7645	2.1816	7.4379	N.Q.	2.4541	N.Q.	1.9295	177.372	N.A.	N.Q.

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argentine peso	1.00	Greek drac.	175.95	Mex. peso	3089.00	S. Kor. won	768.60
Austral. $	1.3101	Hong Kong $	7.7545	N. Zealand $	1.8325	S. Afr. rand	2.74
Austr. schil.	10.74	Indian rupee	25.907	Norw. krone	5.9977	Swed. krona	5.5545
Brazil cruz.	1002.30	Indo. rupiah	1985.03	Phil. peso	26.15	Taiwan $	25.49
Chinese yuan*	5.4423	Irish £	0.5745	Port. escudo	132.70	Thai baht	25.35
Danish krone	5.9295	Israeli shek.	2.2329	Russian ruble•	90.00	Turkish lira	5037.00
Egypt. pound	3.3395	Kuwaiti dinar	0.2845	Saudi riyal	3.7493	UAE dirham	3.6727
Fin. markka	4.135	Malay. ring.	2.709	Sing. $	1.6230	Venez. boliv.	61.68

** Official rate. • Tourist rate (commercial rate: 1.6989.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8578	1.8485	1.8388	Canadian dollar	1.1503	1.1532	1.1558
Deutsche mark	1.5333	1.5398	1.5468	Japanese yen	124.55	124.65	124.76
Swiss franc	1.3609	1.3651	1.3697				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Jan. 6

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	4⅛-4¼	9½-9⅝	8-8⅛	10 13/16-10 15/16	9 15/16-10 1/16	5¼-5⅜	10 5/16-10 7/16	6⅞
2 months	4 1/16-4 3/16	9½-9⅝	8-8⅛	10 13/16-10 15/16	9 15/16-10 1/16	5 3/16-5 5/16	10 5/16-10 7/16	6 5/16
3 months	4 1/16-4 3/16	9½-9⅝	8 1/16-8 3/16	10⅝-10¾	9 15/16-10 1/16	5 3/16-5 5/16	10 5/16-10 7/16	6¼
6 months	4 1/16-4 3/16	9½-9⅝	8-8⅛	10⅝-10¾	9 13/16-9 15/16	5-5⅛	10 5/16-10 7/16	6¼
1 year	4 5/16-4 7/16	9 7/16-9 9/16	7⅞-8	10⅝-10¾	9 11/16-9 13/16	4⅞-5	10⅝-10¾	6 5/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Jan. 6

	Close	Prev.
United States		
Discount rate	3½	3½
Prime rate	6½	6½
Federal funds	3⅛	3.00
Comm. paper 90-179 days	4.00	4.02
3-month Treasury bills	3.79	3.83
6-month Treasury bills	3.82	3.86
1-year Treasury bills	3.91	3.92
30-year Treasury bond	7.44	7.48
3-month CD's	3.84	3.84
3-month CD's	3.83	3.83
Japan		
Discount rate	4½	4½
Call money	5 7/32	6 7/16
1-month interbank	5 17/32	6 1/32
3-month interbank	5 19/32	5 13/16
Germany		
Discount rate	8.00	8.00
Lombard rate	9¾	9¾
Call money	9.55	9.55
1-month interbank	9.55	9.60
3-month interbank	9.55	9.60
6-month interbank	9.55	9.60
Britain		
Bank base rate	11.00	11.00
Call money	10⅝	10⅝
1-month interbank	10 13/16	10¾
3-month interbank	10 13/16	10¾
France		
Intervention rate	9⅛	9⅛
Call money	10 5/16	10½
1-month interbank	9 31/32	10 3/16
3-month interbank	9 15/16	10 1/16
6-month interbank	9 13/16	9 15/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Jan. 6

1 month	4 1/16 - 4 3/16
2 months	4⅛ - 4¼
3 months	4⅛ - 4¼
6 months	4 1/16 - 4 3/16
1 year	4 5/16 - 4 7/16

Source: Reuters.

U.S. Money Market Funds

Jan. 6

Merrill Lynch Ready Assets
30-day average yield: 4.56
Telerate Interest Rate Index: 4.031
Source: Merrill Lynch, Telerate.

GOLD

Jan. 6

	A.M.	P.M.	Ch'ge
Hong Kong	350.25	350.55	— 1.90
Luxembourg	350.90	—	— 1.85
Paris (12.5 kilo)	353.79	355.02	— 0.04
Zurich	350.25	349.75	— 3.25
London	351.15	349.40	— 3.60
New York	—	349.55	— 1.40

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

In Seoul, Bush Gets Down to Business

By Stuart Auerbach
Washington Post Service

SEOUL — With his American accent and stylish haircut, Jin Ryu was every inch the new-style South Korean businessman as he told President George Bush on Monday morning about the $320 million brass mill, with its 700 new American jobs, his family is building in Cedar Rapids, Iowa.

Then, demonstrating the directness he learned at Dartmouth's Tuck School, he noted that the mill would be officially opened around the time of the Iowa primary in March.

"I hope you will stop by and meet some of America's best workers," Mr. Ryu told the president, who chuckled at the idea.

"Mr. President, you won the Gulf war. You won the Cold War. And I wouldn't bet against you winning the economic war," said Mr. Ryu.

It was the economic wars in the United States — and the political wars to come from Democrats jumping on the administration for doing nothing about the continued recession and rising unemployment — that brought Mr. Bush and the business leaders together for an hour-long meeting Monday.

Mr. Bush held a freewheeling discussion with 20 Korean businessmen and the 11 American executives who accompanied the president here. The Korean businessmen were not shy. Administration officials said the exchanges were more lively between Mr. Bush and the business executives than at the

> **Bush praised Koreans for their partnerships with Americans and their U.S. investments.**

President's formal meetings later with President Roh Tae Woo and his advisors.

The Koreans professed love for America as the nation that saved them from a North Korean invasion and allowed them to prosper; the Americans complained about Korean barriers to selling insurance and financial services, and Mr. Bush asked if the Koreans felt hostility when they opened plants in the United States. The answer was no.

Illustrating the economic emphasis of his Asia-Pacific trip, Mr. Bush later addressed a luncheon of Korean business leaders put together by the Korean and American Chambers of Commerce.

White House and Commerce Department aides said the amount of time Mr. Bush spent with business executives Monday was unprecedented for foreign travel in his presidency.

"A lot of this trip is about business and how we can do more and create job opportunities in the United States and if you believe as I do in free trade, more job opportunities here in Korea," Mr. Bush said in his short opening remarks.

He pledged to fight "the waves of protectionism" in the United States "that are almost inevitable when one's own economy is not doing well."

He praised Koreans for their partnerships with Americans and their investments in the United States. "It means jobs for us," Mr. Bush said, and "opportunities for Americans."

M.S. Chung described such a venture in Northern California between Pohang Iron & Steel Co., the Korean steel giant, and USX Corp., the U.S. steel concern whose former chairman, David Roderick, sat beside him.

Instead of closing an outdated steel mill,

See KOREA, Page 13

Ratners Holds Crisis Meeting With Its Banks

Compiled by Our Staff From Dispatches

LONDON — Ratners PLC, the British jewelry chain, was holding a crisis meeting on Monday amid market talk that the crucial Christmas sales period had been far from merry.

Analysts said asset sales and financial restructuring were inevitable. Ratners depends on the Christmas season for 40 percent of its annual profit and Chairman Gerald Ratner had pinned his hopes on Christmas sales to gild a disappointing year.

Ratners shares plunged 4 pence to 18 pence on Monday — less than one-tenth of their level of 191 pence in the middle of last year.

"We understand Ratners has already begun talks with its merchant banker Morgan Grenfell about asset disposals and financial restructuring," said Nicholas Budd, a retail analyst at Morgan Stanley.

Ratners said it would make a trading statement later this week. Analysts expected it to confirm poor sales and possibly details of a refinancing.

Mark Josefson, retail analyst at the Panmure Gordon brokerage, said the market was worried that dismal Christmas trade meant the group would violate the terms of its loan agreements with banks.

The loan agreements stipulate a certain level of earnings to cover interest payments on bank loans. "If there is no trading profit, there will be no cover," Mr. Josefson said, adding "The market believes the covenants have been broken."

Moody's Investors Service cut its rating on Ratners preferred shares to Baa-2 in October, saying it expected an erosion of debt coverage.

Bankers "will want to see evidence of cost control or asset sales to feel comfortable," said Quintin Price, an analyst at James Capel.

He said he expected Ratners to make a pretax loss of £35 million ($65 million) for the year ending in April, compared with a year-earlier profit of £112 million, on sales of £1.11 billion.

Ratners' bankers said they would wait for the trading statement before deciding on a course of action.

"The odds are that Ratners will have to seek an accommodation with its banks," one senior banker to the group said. "Stretcher bearers have not been sent out yet, but we are keeping a very close watch on developments."

Analysts said one option was to sell Ratner's Watches of Switzerland subsidiary, most likely to Sears PLC. The company could fetch about £15 million.

Another option was to shrink costs by selling shops and cutting jobs. Analysts said there were some 100 shops the group could close or sell. But such a disposal of assets during a recession will not be easy.

The company has some 2,000 shops, half of them in the United States. Ian McDougall, an analyst at Nomura Research Institute, said he expected Ratners to focus more on its subsidiary chains H. Samuel in Britain and Sterling and Kay in the United States, which are relatively upmarket, but have also been hurt by the recession.

Gerald Ratner built his company into Britain's largest jewelry chain during the consumer boom years of the 1980s. But he provoked a storm in Britain last year when he described one of his company's products as "crap."

(Reuters, Bloomberg)

Agnellis Move on Perrier

Compiled by Our Staff From Dispatches

PARIS — Food interests linked to the Agnelli family are acting in concert to control shares in Source Perrier SA, and the concert party has nearly half the mineral water company's stock, the companies involved said Monday.

The concert party includes Exor SA, a food and real estate holding company for which the Agnellis' IFINT SA has made an agreed bid; Groupe Saint-Louis, a French sugar and paper company 53.9 percent controlled by an Agnelli-Worms & Co. alliance, and the investment companies Geneval and Ominco, the latter partly owned by Exor.

Saint-Louis entered the concert party Monday when the French stock exchanges association said that it had acquired 1.24 million shares of Perrier stock from the company's treasury.

The statement by Perrier and Saint-Louis said that Exor held 28.7 percent of Perrier's capital and voting rights, Saint-Louis 13.8 percent, Ominco 6.3 percent and Geneval 0.5 percent. Together, that makes 49.3 percent.

Perrier shares rose 15 francs to close at 1,250. The sale of the shares to Saint-Louis was done at Friday's closing price, and was thus worth 1.53 billion francs ($295 million).

(Reuters, AFP)

Single Market but Diverse Consumers

By Erik Ipsen
International Herald Tribune

LONDON — With less than 12 months to go, corporate strategists are awakening to the fact that a single market in Western Europe will not create a single kind of West European.

Implicit in much of the build-up to the single market had been a sense that Europeans themselves would change, that somehow they too would be homogenized. Now, "there is a growing recognition that just because you eliminate trade barriers doesn't mean you suddenly get a Euro-consumer," said Alison Kottrell, an international economist at Midland Montagu in London. Come next year, chances are Germans will still prefer German cars, Italians will still write checks on Italian bank accounts and Britons will still eat British fish and chips.

The dream of being able to sell the same goods in the same way across the single market has faded. "Nineteen ninety two is not going to make Europe a single homogenous beer market, so we will still need to take each market by itself and develop a strategy for it," said Ian Duncan, finance director at Guinness PLC, the big British beer and spirits group.

Language and cultural differences, not to mention 2,000 years of European history, will likely preserve the uniqueness of national markets for decades to come.

The notion of vast pan-European corporations dominating the market from Copenhagen to Corfu has also ebbed, especially when it comes to consumer goods. A rail car full of chlorine is just that across Europe. A tube of toothpaste is another matter, however. "Consumer preferences die harder," said William Barnard, a partner at Arthur Andersen Consulting in London, who noted that attempts to "Europeanize" consumer tastes invariably collided with long-established preferences.

An example is the insurance industry. In the heady, early days of the drive for a single market, predictions abounded of a few large pan-European players dominating the market. Although insurance products for business have long been sold across borders, personal products like life-insurance policies have lagged behind.

"When it comes to personal lines we are not a United States of Europe; we will not become one big happy family," said Stephen Coombes, managing consultant with Price Waterhouse. Mr. Coombes pointed out, for instance, that a German buying life insurance is investing his life savings. He wants a guaranteed income after retirement and will trust only a name he knows. A big Greek insurance company investing in a shipping company based in Athens will have limited market appeal to a prospective pensioner in Potsdam.

In banking, as well, the early predictions of a few large players dominating the market have proved wrong. "I don't think we will see many pan-European banks," said Patrick Foley, chief economic adviser to Lloyds Bank. He reasoned that most national markets already had strong local banks. Acquisitions were ruled out early on as too expensive even in smaller, less developed banking markets like Spain, Italy and Portugal. Instead, Europe's biggest banks have by and large opted for the lower-cost route of setting up correspondent relationships with banks elsewhere in the Community.

In industry, the economic slump of the early 1990s "slows down some of the investment plans necessary to support the change to a single market, like investments in new plants and distribution centers," Mr. Barnard said.

Still, many manufacturers and other corporations have poured vast sums into new plant and equipment in preparation for the single market, and many more will likely do so in the future. Those investment flows are a critical benefit of the whole 1992 process. "The single market will have a huge impact," Mr. Foley said.

That impact, however, will not necessarily be either painless nor predictable. One of the greatest gains many saw as flowing from the single market was greater economic efficiency as the small, inefficient manufacturers are squeezed out by pan-European combines with their greater economies of scale. Lower prices would then result.

Not necessarily, said Paul Ormerod, a director at the Henley Center for Forecasting in London. "The single market will create further economies of scale but it will actually increase concentration in many industries." That concentra-

See SINGLE, Page 13

British Brothers Buy The European

By Steven Prokesch
New York Times Service

LONDON — The European, the unprofitable weekly newspaper begun by the late Robert Maxwell, was sold Monday to a company controlled by David and Frederick Barclay, twins who are two of the richest Britons.

The sale was announced by the court-appointed administrators of Mr. Maxwell's bankrupt private companies, one of which owned The European. The price was not disclosed.

An English-language paper introduced in May 1990 and promoted as "Europe's first national newspaper," The European now has a circulation of about 250,000 copies. The administrators closed the paper and laid off its 145 employees in mid-December, but decided to continue publishing it when potential buyers emerged.

The Barclay brothers have interests in hotels, other real estate and shipping. In a list of the richest people in Britain published last April by The Sunday Times of London, the brothers were ranked No. 18 with a fortune valued at about £450 million ($846 million).

Charles Garside, who had been acting editor of The European, will remain as editor and general manager. Under Mr. Maxwell, the paper was not scheduled to break even until 1994. But Mr. Garside has said that costs could be slashed and the paper could be made profitable much faster.

Too Many New Labels Sour Record Sales

By Michael Lev
New York Times Service

LOS ANGELES — The music industry had been abuzz for months about Walt Disney Co.'s dismal showing in the record business. Despite the millions Disney invested in 1990 to start a mainstream record company, its Hollywood Records had generated no hits and might be at risk of closing.

Then came confirmation of the adversity, in a candid memo written by Hollywood's president, Peter Paterno, to Michael Eisner, Disney's chairman, and Frank Wells, its president.

In the memo, which was dated Oct. 31 but leaked to outsiders in late November, Mr. Paterno said that the label would have a loss of at least $20 million in the next year, contributing to Hollywood's reputation in the music industry as "the Titanic captained by The Three Stooges." (Annual losses of a new label generally run no more than from $3 million to $10 million in the first three years.)

Though extreme, Hollywood Records' early difficulties are not unusual. Lured by the boom in compact disks and the rising prices paid for record companies by expansion-hungry conglomerates, a spate of new record labels has emerged in the past two years.

This has intensified competition and raised the cost of doing business. Now, with recession also taking a large bite out of record sales, there are questions about whether all of them can survive.

"There is a certain cost inherent in being in the record business," Mr. Paterno wrote, explaining Hollywood's predicament in part. "While that cost may be much higher than what we envisioned a few years ago, we also did not envision that there would be 10 to 20 well-financed new entrants in the marketplace."

Besides Hollywood Records, the list of new competitors includes Giant Records, a joint venture of Time Warner Inc. and the music-industry impresario Irving Azoff; Zoo Entertainment and Imago, both backed by Bertelsmann AG, the German media conglomerate; and Interscope and Morgan Creek, two offshoots of Hollywood film companies. David Geffen has a new label, DGC Records. And Thorn-EMI, the British concern, created SBK as a spinoff to a music-publishing house it acquired.

Not all of them are suffering. Several labels have achieved early stability — even success — by watching expenses, staying away from pricey name acts, by making savvy talent decisions and by finding low-budget, low-risk ways to land on the charts. Producing soundtracks offers one economy route to the hit parade.

Morgan Creek Records claims to have recouped its entire initial investment on ties to its sister company's film, "Robin Hood: Prince of Thieves." The film's soundtrack sold more than 2 million copies, and an accompanying single by Bryan Adams, "(Everything I Do) I Do It For You," sold 10 million copies.

> **With recession also taking a large bite out of record sales, there are questions about whether all the new labels can survive.**

The drive to create new record labels is rooted mainly in the prosperity of the music industry. Compact disks caused sales to ignite, particularly as fans replaced their collections of scratchy vinyl.

The new value attached to record companies' libraries also led to a frenzy of label acquisitions. In 1988, Sony Corp. bought CBS Records for $2 billion. Polygram paid about $800 million to buy Island and A&M Records. MCA spent about $550 million in stock for Geffen Records, started only in 1980.

Such high prices made the idea of starting a label seem more economic. Companies like Disney and Morgan Creek were attracted to the business in part by the frequent opportunities for cross-marketing with their movie businesses.

Existing major labels were also interested because of the broad array of products needed to feed their international distribution pipelines. Also, radio programmers are often partial to songs released on new labels because of their need not to appear too closely tied to any one record company.

ATLAS FUND
Société d'Investissement à Capital Variable
R.C. Luxembourg B 27 255
NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of ATLAS FUND will be held at the Registered Office in Luxembourg, 10A, Boulevard Royal, Luxembourg, on:

Monday 20th January, 1992 at 11 hours

for the purpose of considering the following Agenda:

1. Approval of the auditor's report.
2. Discharge to be granted to the liquidator, auditor and Board of Directors.
3. Resolution concerning the final liquidation of the Company.
4. The keeping of accounts and company documents.

The General Meeting shall be regularly constituted and shall validly deliberate on the resolutions if a quorum of shareholders representing one half of the shares outstanding is present or represented. Resolutions must be passed by an affirmative vote of two thirds of the shares present or represented at such meeting.

The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the Meeting.

The present notice and a form of proxy shall be sent to all shareholders on record at 27th December, 1991.

Proxy forms are available upon request at the Registered Office of the Company.

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Daniel Industries, Inc.
has acquired the assets of
Gerätewerk Babelsberg GmbH
from the
Treuhandanstalt
A German Government Agency

The undersigned initiated this transaction and acted as financial advisor to Daniel Industries, Inc.

Kidder, Peabody & Co.
Incorporated

November 1991

MARKET DIARY

Dow's 11-Day Run Of Gains Is Broken

N.Y. Stocks

Compiled by Our Staff From Dispatches

NEW YORK — The Dow industrials' 11-day rally ended Monday as the blue-chip gauge fell slightly in heavy trading, but the broader market advanced in a sign of continuing strength.

Analysts said that despite profit-taking after six consecutive record-setting sessions, there was still considerable upward momentum.

The Dow Jones industrial average, which had surged 29.07 points on Friday, fell 1.35 to close at 3,200.13. But advancing issues outpaced losers by an 8-to-7 margin, on volume of 242 million shares on the New York Stock Exchange.

"The market spent the day catching its breath," said Robert Walberg, a market analyst at MMS International. "But they had a hard time selling it."

Gene Seagle, Gruntal & Co.'s director of technical research, said that while many stocks fell from profit-taking, investors were buying the rally's laggards.

Traders said investors were starting to rotate out of the consumer and drug stocks that had led the market to new highs in the past few weeks and into laggards such as International Business Machines and the automakers.

IBM shares rose 1⅞ to 92¼ after a Smith Barney, Harris Upham analyst raised his rating of the stock to "buy," citing continued good demand for mainframes.

General Motors rose 1⅛ to 33⅝, Ford Motor climbed ½ to 30⅞ and Chrysler gained ⅛ to 13⅝.

Shares of Westinghouse Electric, among the most active, closed 1⅝ higher at 19¾.

The Nasdaq composite index, led by Microsoft, was up 5.25 at a new high of 597.90. Microsoft gained 3½ to 116½ after the introduction of Project Version 3.0 for Windows. *(Reuters, Bloomberg)*

Mark and Yen Drive Higher Against Dollar

Foreign Exchange

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell sharply Monday against the Deutsche mark and yen as dealers resumed selling after last week's short-covering rally.

The dollar fell nearly 3 pfennig in New York to close at 1.5160 DM, after Friday's close of 1.5430 DM. It fell to 123.45 yen, from 124.65.

The dollar also dropped in New York to 1.3435 Swiss francs, from 1.3748, and to 5.1745 French francs, from 5.2675. The pound rose to $1.8828 from $1.8490.

Traders said the high return offered by the German currency — about 5.5 percentage points over the dollar — was again attracting investors. This was especially so as the market faced the possibility of even more cuts in U.S. rates if upcoming economic data were weak.

"The January buying effect is pretty much over" for the dollar, said David Gilmore, senior analyst at MCM Currencywatch. With traders back to work after the holiday, the market's focus returned to economic fundamentals, he said.

The yen continued to be helped by expectations that the visit to Japan by President George Bush and Treasury Secretary Nicholas F. Brady would result in calls for a stronger yen as a means of damping down Japan's trade surplus.

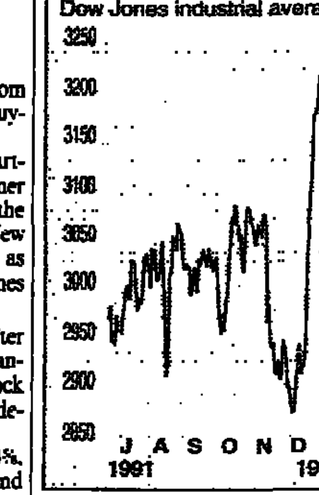
Although any comments from either Mr. Bush or Japan's prime minister, Kiichi Miyazawa, backing a stronger yen will be seized by traders later in the week, analysts said declining short-term interest rates in Japan will partially offset any yen appreciation.

Alan Chase, senior currency trader at National Westminster Bank in London, said the dollar could rally Friday if the Federal Reserve left interest rates alone after employment figures for December, but in any case not above 1.55 DM. *(Reuters, Bloomberg)*

Via Associated Press Jan. 6

The Dow

Daily closings of the Dow Jones industrial average



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Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3194.10	3230.32	3166.59	3200.13	— 1.35
Trans	1351.83	1375.37	1340.81	1365.28	+ 14.57
Util	224.40	225.53	221.90	223.02	— 2.57
Comp	1159.22	1173.35	1148.97	1162.77	+ 1.43

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	496.05	492.95	494.06	— 1.72
Transp.	338.88	336.72	338.35	+ 0.13
Utilities	155.70	153.89	154.36	— 1.34
Finance	34.41	34.17	34.40	+ 0.16
SP 500	419.44	416.92	417.96	— 1.38
SP 100	389.97	387.52	388.36	— 0.52

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	230.13	227.41	229.85	— 0.50
Industrials	286.88	284.02	286.43	— 0.90
Transp.	200.32	199.73	200.26	+ 0.43
Utilities	101.87	101.59	101.77	— 0.50
Finance	173.92	173.05	173.91	+ 0.97

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	598.07	592.69	597.90	+ 5.25
Industrials	684.31	677.57	683.80	+ 6.77
Finance	564.81	561.98	563.22	+ 0.91
Insurance	609.56	601.45	604.86	— 0.41
Utilities	651.60	638.67	651.45	+ 12.80
Banks	359.37	356.84	358.24	+ 1.70
Transp.	579.71	573.68	576.50	— 0.28

AMEX Stock Index

High	Low	Close	Ch'ge
399.27	397.42	399.27	+ 0.44

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	99.20	+ 0.07
10 Utilities	100.85	— 0.04
10 Industrials	97.55	+ 0.18

Market Sales

NYSE 4 p.m. volume	241,980,000
NYSE prev. cons. close	272,197,700
Amex 4 p.m. volume	19,333,245
Amex prev. cons. close	23,532,000
NASDAQ 4 p.m. volume	237,423,000
NASDAQ prev. 4 p.m. volume	214,203,000
NYSE volume up	118,286,430
NYSE volume down	101,472,840
Amex volume up	7,339,770
Amex volume down	6,042,925
NASDAQ volume up	149,137,000
NASDAQ volume down	57,025,100

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
GnMotr	44795	34⅛	33⅛	33⅝	+ ⅛
RJR Nb n	43767	11	10⅝	10⅝	
WstgEl	38784	19⅞	18½	19¾	+1⅝
AT&T	35977	40½	39¼	40⅛	+ ½
Maxus	33800	7¼	6¾	6¾	— ⅜
FordM	32459	31⅛	30⅛	30⅞	+ ½
BrwnFr	26719	23⅞	22¼	23½	+1¼
AmExp	25846	21¾	20⅞	21½	+ ⅜
Waste	24256	45⅜	44	44⅜	— ⅛
Chryslr	23212	14⅛	13	13⅝	+ ⅛
BlockE s	21939	13⅝	12½	13¼	+ ¾
IBM	21438	93½	90⅝	92¼	+1⅞
PepsiC	19786	34⅝	33¾	33⅞	— ½
Glaxo s	19741	32⅝	31⅞	32⅛	— ⅛
PhilMr	18851	79¾	78½	79⅝	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
A-gte pr	6825	22½	22⅛	22½	
A-att2 sc	5881	10⅛	9⅞	10⅛	+ ⅛
InstSy	5767	6⅞	6⅛	6¾	+ ⅜
A-att2	4873	29⅞	29¾	29⅞	
Amdhl	4400	16⅛	15⅝	15⅞	
ENSCO	4356	1⅛	1⅛	1⅛	— ⅛
A-bmv	3508	54⅞	54⅛	54⅞	+ ⅛
Hllhav	3339	2⅝	2½	2½	— ⅛
FAusPr	3194	11	10⅝	10⅝	+ ½
Harken	2957	4⅛	3⅞	4⅛	+ ⅜
AExpl	2915	3	2½	2⅝	+ ⅛
Hasbro	2848	39⅛	37¼	37⅝	—1⅝
NY Tim	2667	25⅝	24⅞	25¼	— ⅛
B&HO	2585	9⅛	8½	8⅞	+ ⅜
US Alc s	2561	9⅛	8¾	8⅞	— ¼

NYSE Diary

	Close	Prev.
Advanced	1057	1079
Declined	789	680
Unchanged	391	442
Total issues	2237	2201
New Highs	217	179
New Lows	4	5

Amex Diary

	Close	Prev.
Advanced	370	378
Declined	276	245
Unchanged	200	241
Total issues	846	864
New Highs	49	47
New Lows	6	5

NASDAQ Diary

	Close	Prev.
Advanced	1,430	1,445
Declined	811	758
Unchanged	1,938	1,977
Total issues	4,179	4,180

S&P 100 Index Options

Jan. 6

Strike Price	Calls-Last Jan	Feb	Mar	Apr	Puts-Last Jan	Feb	Mar	Apr
330	—	59	—	—	1/16	⅜	1⅝	—
335	—	54⅝	—	—	1/16	½	1½	—
340	49½	48½	50	—	1/16	11/16	1⅝	2½
345	43⅝	—	—	—	1/16	1⅛	2⅛	—
350	38¾	40	42⅝	42½	⅛	1⅜	2½	3⅝
355	34	35¼	36¾	—	⅛	1⅝	3	—
360	28¾	30¾	32¼	—	¼	2⅛	3¾	5
365	23¾	25½	29	—	⅜	2⅝	4⅞	—
370	19¼	21⅜	24¾	—	1	3½	5⅜	7
375	14⅞	17½	20⅝	—	1⅝	4½	6⅝	—
380	10¾	14¼	17	19¼	2⅝	6	8	9⅝
385	6¾	11⅛	13½	—	3½	7⅝	10⅝	—
390	3⅝	8	10⅝	13⅝	5¼	10⅛	12¼	14
395	2 1/16	5⅝	8¼	—	9	12½	14½	—
400	1	4	6⅛	8¼	13	—	—	—
405	½	2 5/16	4⅝	—	—	—	—	—

Calls: total vol. 118,602; total open int. 349,878
Puts: total vol. 134,397; total open int. 498,530

	Dec 92	Dec 93	Dec 92	Dec 93
27½	11½	—	¼	⅜
30	9⅛	—	⅜	½
32½	—	8⅛	⅝	—
35	5¼	6½	1⅛	1¾
37½	3⅝	—	1⅝	2⅝
40	1 11/16	—	2⅝	—

Calls: total vol. 371; total open int. 31,238
Puts: total vol. 515; total open int. 109,572
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	186.20	187.00	188.00	184.60	184.00	184.80
May	182.80	186.00	183.00	183.00	182.00	183.00
Aug	182.00	195.00	185.00	185.00	184.00	186.00
Oct	180.00	188.00	183.00	183.00	182.00	183.00
Dec	165.00	195.00	N.T.	N.T.	176.00	186.00
Mar	164.00	195.00	N.T.	N.T.	171.00	191.00
Est. Sales 326.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Mar	720	721	727	718	731	732
May	746	747	752	745	757	758
Jul	771	773	777	770	782	783
Sep	797	798	802	795	806	807
Dec	830	832	835	828	839	840
Mar	860	861	865	858	866	868
May	875	878	883	875	880	884
Jul	891	894	900	897	898	900
Sep	908	911	912	906	915	916
Dec	931	936	936	934	940	941
Est. Sales 14,007.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jan	540	541	544	523	521	522
Mar	532	533	536	525	525	526
Est. Sales 3,859.						

WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons	High	Low	Close		Ch'ge
Mar	274.20	272.00	273.50	274.00	+ 1.30
May	274.00	272.00	273.50	274.50	+ 0.50
Aug	N.T.	N.T.	278.50	280.00	+ 1.30
Oct	259.00	N.T.	258.00	260.00	+ 1.00
Dec	N.T.	N.T.	257.00	259.00	Unch.
Mar	N.T.	N.T.	258.00	260.00	+ 1.00

Est. sales 833. Prev. sales 799. Open interest 13,390.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1105.00	1106.00	1107.00	1108.00
Forward	1129.00	1130.00	1130.00	1131.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1133.50	1134.50	1150.00	1151.00
Forward	1162.50	1163.00	1179.50	1180.00
LEAD Sterling per metric ton				
Spot	286.50	287.50	288.00	289.00
Forward	298.00	299.00	299.00	299.50
NICKEL Dollars per metric ton				
Spot	7350.00	7360.00	7175.00	7180.00
Forward	7403.00	7405.00	7225.00	7230.00
TIN Dollars per metric ton				
Spot	5510.00	5520.00	5515.00	5520.00
Forward	5565.00	5575.00	5565.00	5570.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1116.00	1118.00	1144.00	1146.00
Forward	1086.00	1087.00	1105.00	1106.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Mar	89.40	89.29	89.33	— 0.02
Jun	89.71	89.63	89.67	+ 0.01
Sep	90.01	89.96	89.99	+ 0.03
Dec	90.17	90.13	90.15	+ 0.02
Mar	90.18	n.a.	90.22	+ 0.05
Jun	90.23	90.19	90.22	+ 0.04
Sep	90.19	90.15	90.17	Unch.
Dec	90.18	90.15	90.16	Unch.
Mar	90.09	90.09	90.12	— 0.02
Est. volume: 33,692. Open interest: 153,160.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Mar	95.95	95.93	95.95	+ 0.02
Jun	95.86	95.83	95.85	+ 0.02
Sep	n.a.	95.64	95.65	+ 0.03
Dec	95.20	95.19	95.20	+ 0.03
Mar	N.T.	N.T.	94.94	+ 0.02
Jun	N.T.	N.T.	94.50	+ 0.03
Sep	N.T.	N.T.	94.05	+ 0.01
Dec	N.T.	N.T.	93.47	— 0.02
Est. volume: 1,781. Open interest: 33,179.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Mar	90.56	90.53	90.56	+ 0.02
Jun	90.89	90.85	90.88	+ 0.03
Sep	91.23	91.19	91.23	+ 0.04
Dec	91.42	91.39	91.41	+ 0.01
Mar	91.64	91.61	91.64	+ 0.05
Jun	91.77	91.73	91.74	+ 0.02
Sep	n.a.	91.80	91.85	+ 0.08
Dec	91.97	91.86	91.94	+ 0.08
Est. volume: 18,359. Open interest: 166,860.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Mar	n.a.	96-24	96-30	+ 0-08
Jun	97-05	97-05	97-03	+ 0-07
Est. volume: 17,173. Open interest: 49,615.				

GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct	High	Low	Close	Change
Mar	87.88	87.67	87.81	+ 0.22
Jun	88.27	88.20	88.23	+ 0.23

Est. volume: 45,016. Open interest: 7,834.

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jan	167.00	162.75	166.75	166.75	+ 1.50
Feb	166.75	163.00	166.75	166.75	+ 1.00
Mar	166.50	163.00	166.50	166.50	+ 1.50
Apr	164.75	162.25	164.25	164.50	+ 0.50
May	164.00	161.50	164.00	164.00	+ 0.50
Jun	165.00	163.50	165.00	165.00	— 1.50
Jul	167.00	165.00	167.00	167.00	— 1.25
Aug	168.00	168.00	168.00	169.50	— 1.00
Sep	171.00	169.50	170.00	170.50	— 1.50
Est. Sales 12,000. Prev. sales 13,999. Open interest 61,299					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Feb	18.32	17.93	18.12	18.12	Unch.
Mar	18.17	17.80	17.94	17.95	— 0.10
Apr	17.98	17.81	17.98	17.90	— 0.08
May	N.T.	N.T.	N.T.	17.77	— 0.13
Jun	17.95	17.75	17.95	17.75	— 0.10
Jul	N.T.	N.T.	N.T.	17.77	— 0.13
Aug	N.T.	N.T.	N.T.	18.05	— 0.14
Sep	17.85	17.85	17.85	18.05	+ 0.05
Oct	N.T.	N.T.	N.T.	18.03	+ 0.05
Est. Sales 20,000. Prev. sales 22,345. Open interest 72,753					

Stock Indexes

FTSE 100 (LIFFE) £25 per index point				
Mar	2592.0	n.a.	2529.0	— 18.0
Jun	2561.0	n.a.	2563.0	— 17.0

Est. volume: 8,305. Open interest: 34,055.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.502	0.503
Coffee, Braz., lb	0.57	0.57
Copper electrolytic, lb	1.087	1.087
Iron FOB, ton	213.00	213.00
Lead, lb	0.35	0.35
Silver, troy oz	4.07	3.97
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	95.00	95.00
Tin, lb	3.8975	3.7132
Zinc, lb	0.58	0.58

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Jan. 3	1,321,600	1,210,030	72,528
Jan. 2	1,073,797	1,419,921	58,717
Dec. 31	1,397,948	1,557,465	127,457
Dec. 30	1,219,858	1,190,578	60,163
Dec. 27	673,201	764,423	70,523

*Included in the sales figures.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Food Lion cl-A	Q	.042	1-28	1-16
Food Lion cl-B	Q	.0414	1-28	1-16
REVERSE STOCK SPLIT				
Conesco Ind Ltd — 1-for-4				
Medical Tech Sys — 1-for-4				
USUAL				
Adobe Systems Inx	Q	.08	1-29	1-15
Bankers Corp	Q	.13	1-30	1-15
Geodynamics Corp	Q	.07	1-28	1-14
FrntMcMrnCop A	Q	.30	2-7	1-15
Sterling Chemicals	Q	.07½	1-22	1-13
Termiflex Corp	Q	.05	1-30	1-17

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

U.S./AT THE CLOSE

Carmakers Post Sharp Falls in Sales

DETROIT (AP) — U.S. automakers reported a sharp drop of nearly 11 percent in sales for 1991 on Monday, turning in the industry's worst year for sales since 1983.

Among the Big 3, Ford Motor Co.'s car and truck sales fell 13.6 percent; Chrysler Corp. reported a 14.7 percent drop; and the No. 1 carmaker, General Motors Corp., said car sales declined 11 percent while truck sales were down 13 percent.

Automakers reported sales of about 12.3 million new vehicles in the United States in 1991, down from 13.8 million the year before. It was the worst performance since 1983, when 11.7 million new vehicles were sold, according to the Motor Vehicle Manufacturers Association. The weak sales figures took on added significance by being released on the eve of President George Bush's trade mission to Japan.

Baker Hughes to Buy Oil Gear Firm

MERIDEN, Connecticut (AP) — Baker Hughes Inc. has agreed to buy Teleco Oilfield Services Inc. from Sonat Inc., the companies said Monday.

The companies said the purchase price was $200 million in cash, four million shares of $3.00 convertible preferred stock and a 5 percent royalty payment for five years on certain technology revenues.

"This strategic acquisition will further enhance BHI's position in innovative drilling systems by completing our suite of industry leading drilling-efficiency products and services," said J.D. Woods, chairman of Baker Hughes.

Olin Sells European Ammo Unit

STAMFORD, Connecticut (AP) — Olin Corp. said Monday that it was selling its European sporting-ammunition business to Browning S.A., the Belgian gun maker.

Terms of the deal were not disclosed, but the company said the sale would include a shotshell manufacturing plant in Anagni, Italy.

Under a licensing agreement with Olin, Browning will continue to produce Winchester-branded shotgun ammunition at the Anagni facility. Through an exclusive license, Browning will also distribute the complete line of Winchester sporting ammunition in all of Europe and in the European republics of the former Soviet Union.

Feelings Mixed on China Sanctions

WASHINGTON (Reuters) — Most of about 60 importers and retailers of clothing, minerals, leather goods, electronics and watches told the U.S. Trade Representative's office that proposed trade sanctions against China would hurt their businesses and U.S. consumers.

But in testimony submitted for two days of hearings this week, several U.S. manufacturers expressed support for imposition of stiff tariffs against a range of Chinese exports in retaliation for that country's alleged copyright and patent piracy.

The National Retail Federation said imposing the punitive tariffs "would significantly harm U.S. consumers and exacerbate the recession."

Westinghouse Raises $700 Million

PITTSBURGH (Reuters) — A spokesman for Westinghouse Electric Corp.'s financial-services unit said Monday that the unit had arranged asset sales totaling more than $700 million in the fourth quarter of 1991.

A spokesman said the disposals, which represented cash proceeds from the sales, were "consistent with the corporation's strategy of downsizing the business unit and reducing commercial paper borrowings."

For the Record

International Business Machines Corp. will introduce a notebook-sized personal computer to the U.S. market next month, marking its belated entry into the fast-expanding area, industry sources said. *(Reuters)*

American Telephone & Telegraph Co. said it had introduced a color video phone for home use priced at $1,499. The company said the product would send and receive video calls over existing telephone lines for the same price as voice calls. *(Reuters)*

CARS: *Lack of Success of Big 3 in Japan Blamed on U.S. Shortsightedness*

(Continued from first finance page)

its roots in automobiles. In 1990, American-made cars accounted for less than five-tenths of 1 percent of the 5.1 million cars sold in the Japanese market, the world's second-largest. Japan, in contrast, holds nearly a third of the American market.

While administration officials say they want the presidential trip to generate major concessions from Japan, some say there is another agenda at work: to force American automakers to focus on Japan and Asia, and to make up for underinvestment there.

"We think the market in Japan is not yet open," Michael Farren, undersecretary of Commerce for International Trade, said the other day. "At the same time," he acknowledged, "the Big Three probably should have been doing a trip like this 10 years ago, maybe 20."

Long ago, Detroit began designing cars for European buyers, yet none of the Big Three has its own design center in Japan. (GM has just opened a small facility to design parts.) While virtually all of the Japanese auto companies have built car factories in the American Midwest and opened design centers on the West Coast, no American automaker has seriously considered an assembly plant in Japan.

Over the past two decades, all three Detroit automakers have made big investments in Japanese car manufacturers, chiefly to produce parts or finished cars that could be sold under American badges in the United States.

Yet, only one, Ford, has arranged for its partner, Mazda Motor Co., in which it owns a 25 percent stake, to manufacture cars at its plant in Hiroshima that Ford can sell in Japan — with the steering wheel on the right-hand side, for driving on the left side of the road. And only Ford has followed Mercedes-Benz and BMW, the most successful foreign carmakers in Japan, in building their own dealerships.

What the American automakers do not lack in Japan is experience. GM has been here for decades, and Ford opened a plant in Yokohama in 1922 to assemble Model Ts. Ford became the best-selling car in Japan, but soon after the military government came to power in the late 1930s, the company was forced to leave.

For years after the war, American carmakers were excluded from the Japanese market, as Japan tried to build its own auto industry. When they finally were let in during the 1960s, Japanese tax policy and a web of anti-import regulations still worked against them.

But the American makers failed to get back in during the 1970s and 1980s, as the formal restraints fell away. Rather than sell directly, the American makers turned to sales agents. The result is that the American carmakers are vastly outnumbered in dealerships.

WORLD STOCK MARKETS

Agence France Presse Jan. 6

Amsterdam

	Close	Prev.
ABN Amro Hld	42.40	42.30
ACF Holding	33	32
Aegon	121.10	121.30
Ahold	77.60	78.20
Akzo	127	127.90
AMEV	51.80	52.60
A'Dam Rubber	3.25	N.Q.
Bols	44.60	43.90
Buhrmann Tett	41.80	41.80
Center Parcs	21	21.50
CSM	87.60	88.10
DAF	21.30	21.60
DSM	91.20	90.60
Elsevier	101.80	102.30
Fokker	29	29.40
Gist-Brocades	31.60	31.90
Heineken	157.80	158
Hoogovens	44	42.30
Hunter Douglas	58.90	57.80
IHC Caland	55	54.70
Inter Mueller	55.90	55.70
Int'l Nederland	46.60	46.40
KLM	39.30	39.40
KNP	47.90	47.30
Nedlloyd	55.60	55.60
Oce Grinten	63.50	64
Pakhoed	43.20	43.50
Philips	29.50	29.60
Robeco	96.50	95.20
Rodamco	57.20	57.50
Rolinco	98.60	97.30
Rorento	70.10	70.10
Royal Dutch	146	148.20
Unilever	180.90	182
Van Ommeren	40.10	40.40
VMF Stork	40.80	40.60
VNU	73.60	72.70
Wessanen	81	80.50
Wolters/Kluwer	64.30	63.80

CBS Trend Index : 113.60
Previous : 113.50
New base as of Jan. 2

Brussels

	Close	Prev.
Acec-UM	2155	2190
AG Fin	1865	1820
Arbed	3260	3300
Barco	1008	1000
Bekaert	9550	9250
Cockerill	143	146
Cobepa	4805	4845
Delhaize	8680	8510
Electrabel	4835	4835
GIB	1202	1198
GBL	3220	3260
Gevaert	6480	6600
Kredietbank	4200	4170
Petrofina	10725	10675
Royal Belge	3760	3805
Soc Gen Banque	5900	5880
Soc Gen Belgique	1800	1830
Sofina	11400	11400
Solvay	11875	11925
Tractebel	7960	7970
UCB	19500	19300
Powerfin	2550	2570

Current Stock Index : 5537.68
Previous : 5527.49

Frankfurt

	Close	Prev.
AEG	204	201
Allianz Hold	2142	2145
Altana	579.50	545
Asko	616.50	610
BASF	228.20	227.30
Bayer	287.20	284.20
Bay. Hypo bank	391.50	390
Bay Vereinsbk	406	404
BBC	690	695
BHF Bank	411.50	411
BMW	482.20	485
Commerzbank	255	253.90
Continental	209	208
Daimler Benz	750.50	754
Degussa	290	289
Dt Babcock	145.20	141
Deutsche Bank	682.30	683.50
Douglas	655	663
Dresdner Bank	330.50	328.20
Feldmuehle	506.50	506.50
Harpener	N.A.	282.50
Henkel	532	529.80
Hochtief	1026	1012
Hoechst	227.10	227
Hoesch	232	233
Holzmann	1032	1033
Horten	173	174
IWKA	282	282
Kali Salz	133	138.50
Karstadt	621.50	630
Kaufhof	429.50	430
KHD	130.20	132
Kloeckner Werke	105.50	106
Krupp Stahl	138	140
Linde	688.50	683
Lufthansa	160	161
MAN	348	347
Mannesmann	253.40	251.80
Metallgesell	393.50	390.80
Muench Rueck	2290	2270
Nixdorf	183	183
Porsche	567.50	567
Preussag	316	315.10
PWA	212	217.50
RWE	391.40	392.90
Rheinmetall	248.50	249
Schering	784.50	778
SEL	457.50	459
Siemens	631.40	631.50
Thyssen	204.50	203.80
Varta	271	265.50
Veba	361	362.50
VEW	223	224
Viag	357.50	357.50
Volkswagen	298	302.60
Wella	547.50	549.50

DAX Index : 1683.32
Previous : 1683.62
FAZ Index : 652.40
Previous : 653.19

Markets Closed

Stock markets were closed Monday for a holiday in Helsinki, Madrid, Milan and Stockholm.

Hong Kong

	Close	Prev.
Bk East Asia	24.50	24.80
Cathay Pacific	9.95	9.85
Cavendish Int'l	3.60	3.60
Cheung Kong	19.90	19.80
China Light Pwr	23.50	23.50
Dairy Farm Int'l	9.95	9.95
Hang Lung Dev	8.10	8.20
Hang Seng Bank	37.75	38
Henderson Land	13.80	13.80
HK Air Eng.	17	17
HK China Gas	11.30	11.30
HK Electric	14.20	14
HK Land	9.20	9.25
HK Realty Trust	6.80	6.90
HK Shang Bank	36	36
HK Shang Hits	4.75	4.78
HK Telecomm	8	8.05
HK Ferry	5.35	5.35
Hutch Whampoa	14.50	14.50
Hysan Dev	8.30	8.25
Jardine Math.	39	39.25
Jardine Str Hld	19	18.80
Kowloon Motor	7.75	7.80
Mandarin Orient	5.70	5.70
Miramar Hotel	6.65	6.75
New World Dev	11	11
SHK Props	23.20	23.10
Stelux	4.25	4.28
Swire Pac A	23.40	23.40
Tai Cheung Prps	5.05	5.15
TVE	2.50	2.58
Wharf Hold	11.20	11.10
Winsor Ind.	9.60	9.50
World Int'l	5.40	5.40

Hang Seng Index : 4304.97
Previous : 4307.13

Johannesburg

	Close	Prev.
AECI	9.25	9
Altech	95	95
Anglo Amer	124.50	123.50
Barlows	52	50.50
Blyvoor	6	6
Buffels	34.50	34.50
De Beers	91	90.50
Driefontein	37.75	37.25
Gencor	12.35	12.10
GFSA	76.50	76.50
Harmony	19.50	19.50
Highveld Steel	14.70	14.70
Kloof	31.25	31
Nedbank Grp	16	15.80
Randfontein	16.10	16.15
Rusplat	59	58.50
SA Brews	57.75	56
St Helena	23	23
Sasol	18.25	18
Welkom	16.50	16.50
Western Deep	114	113.50

Composite Stock Index : 3479
Previous : 3434

London

	Close	Prev.
Abbey Nat'l	2.92	2.93
Allied Lyons	6.33	6.32
Arjo Wiggins	2.51	2.49
Argyll Group	2.78	2.75
ASDA Group	0.32	0.33
Ass Brit Foods	4.58	4.69
BAA	5.53	5.50
BAe	2.88	2.94
Bank Scotland	1.17	1.18
Barclays	3.65	3.73
Bass	10.15	10.08
BAT	6.23	6.12
BET	1.98	2
BICC	3.22	3.22
Blue Circle	2.25	2.24
BOC Group	6.19	6.14
Boots	4.24	4.22
BP	2.77	2.90
Brit Airways	2.24	2.29
Brit Gas	2.48	2.51
Brit Steel	0.68	0.70
Brit Telecom	3.32	3.32
BTR	3.98	3.97
Cable Wire	5.93	6
Cadbury Sch	4.43	4.35
Comm Union	4.98	4.94
Courtaulds	5.16	5.14
Enterprise Oil	4.31	4.44
Eurotunnel	4.15	4
Fisons	3.42	3.42
Forte	2.28	2.29
GEC	1.92	1.96
Gen'l Acc	4.78	4.70
Glaxo	8.42	8.48
Grand Met	9.11	8.96
GRE	1.19	1.17
Guinness	5.50	5.40
GUS A	13.77	14.03
Hanson	2.01	2.03
Hillsdown	1.60	1.66
ICI	11.95	11.90
Inchcape	3.83	3.90
Kingfisher	4.46	4.62
Ladbroke	2.21	2.20
Land Sec	4.48	4.54
Lasmo	2.35	2.31
Legal Gen Grp	3.80	3.82
Lloyds Bank	3.95	3.97
Lonrho	1.76	1.70
Lucas Ind	1.18	1.13
Marks Sp	2.80	2.81
Maxwell	Susp.	—
MEPC	3.93	3.97
Midland Bk	2.10	2.13
Nat'l Power	1.45	1.43
NatWest	2.70	2.86
NthWst Water	3.41	3.36
Pearson	7.30	7.21
P & O	4.36	4.38
Pilkington	1.30	1.31
PowerGen	1.52	1.53
Prudential	2.44	2.44
Rank Org	5.95	6.02
Reckitt Col	6.65	6.53
Redland	4.48	4.35
Reed Int'l	5.45	5.47
Reuters	10.50	10.47
RMC Group	5.58	5.63
Rolls Royce	1.28	1.30
Rothmans	11.47	11.33
Royal Ins	2.60	2.55
Royal Scot	1.61	1.63
RTZ	4.95	4.87
Sainsbury	3.58	3.59
Scot Newcas	4.18	4.16
Scot Power	1.06	1.05
Sears Holds	0.95	0.98
Severn Trent	2.99	3.02
Shell	4.86	4.96
Smith Nephew	1.37	1.38
SmithKline B	8.98	9.01
Sun Alliance	3.01	2.99
Tarmac	1.18	1.20
Tate & Lyle	4.13	4.06
Tesco	2.23	2.26
Thorn EMI	7.55	7.53
Trafalgar Hse	1.28	1.31
TSB Group	1.17	1.19
Unilever	8.95	9.05
Utd Biscuits	4.04	3.94
Vodafone	3.77	3.75
War Loan 3½	37.13	37.13
Wellcome	10.58	10.88
Whitbread	4.61	4.50
Williams Hdgs	2.97	2.92
Willis Corroon	2.33	2.35

F.T. 30 Index : 1986.50
Previous : 1981.40
F.T.S.E. 100 Index : 2493.20
Previous : 2504.10

Montreal

	Close	Prev.
Alcan Aluminum	23	23¼
Bank Montreal	44¼	44⅛
Bell Canada	48	47⅛
Bombardier A	28⅝	28⅛
Bombardier B	28¼	27⅞
Cambior	8⅝	9
Cascades	5⅞	5⅞
Dominion Text A	7⅛	7⅛
Donohue	12⅞	N.Q.
MacMillan Bl	18⅞	18½
Nat'l Bk Canada	11⅛	11⅛
Power Corp.	15⅛	15
Provigo	9⅝	9⅝
Quebec Tel	18⅛	18⅝
Quebecor A	21½	N.Q.
Quebecor B	21⅛	21
Teleglobe	11½	11½
Videotron	14⅝	14⅝

Industrials Index : 1640.36
Previous : 1628.95

Paris

	Close	Prev.
Accor	663	651
Air Liquide	673	682
Alcatel Alsthom	565	569
Axa	795	775
Bancaire (Cie)	473.50	471.20
BIC	650	658
Bouygues	526	523
BSN-GD	1051	1033
Carrefour	2440	2388
C.C.F.	165	165
Cerus	99.50	94
Chargeurs	944	920
Ciments Franc	280	282
Club Med	408	412
Elf-Aquitaine	380.60	376.50
Gen. Eaux	2128	2095
Eurodisneyland	151	153
Hachette	140	145
Havas	449.80	440
Imetal	249	247
Lafarge Coppee	328	329.90
Legrand	3610	3690
Lyon. Eaux	455	441
Oreal (L')	753	748
L.V.M.H.	4214	4191
Matra	159	165
Merlin Gerin	511	494
Michelin B	130	126
Moulinex	159	153
Paribas	334	327.50
Pechiney Intl	167.80	165.20
Pernod-Ricard	1257	1219
Perrier	1250	1235
Peugeot	619	610
Printemps (Au)	802	799
Radiotechnique	459	440
Raff. St. Louis	1235	1218
Redoute (La)	4590	4600
Saint Gobain	464	456
Sanofi	1054	1028
S.E.B.	1683	1680
Ste Generale A	453.20	452.60
Suez	293.60	288.90
Thomson-CSF	153	153.50
Total	1042	1033
U.A.P.	491	487.90
Valeo	578	567

CAC 40 Index : 1787.57
Previous : 1770.38

Sao Paulo

	Close	Prev.
Banco do Brasil	79	75
Bradesco	42	37
Brahma	249	245
Paranapanema	10.90	8.25
Petrobras	6200	5700
Vale Rio Doce	77.50	70
Varig	92	83

Bovespa Index : 79380
Previous : 78924

Singapore

	Close	Prev.
Cerebos	2.88	2.84
City Dev.	4.06	4.04
DBS	11.40	11.40
Fraser Neave	8.75	8.75
Genting	7	6.80
Golden Hope Pl	1.36	1.37
Haw Par	2.60	2.59
Hume Industries	3	2.97
Inchcape	4.50	4.50
Keppel	8.55	8.15
KL Kepong	2.19	2.11
Lum Chang	1.05	1.02
Malayan Banking	4.12	4.06
OCBC	8.90	8.85
OUB	4.70	4.66
OUE	8.45	8.50
Sembawang	8.65	8.55
Shangrila	6.10	5.85
Sime Darby	2.32	2.28
SIA	13.30	13.10
S'pore Land	5.45	5.40
S'pore Press	9	8.90
Sing Steamship	2.83	2.77
Straits Trading	2.71	2.67
UOB	6.25	6.25
UOL	1.63	1.59

Straits Times Ind. : 1508.45
Previous : 1480.87

Sydney

	Close	Prev.
ANZ	4.80	4.74
BHP	14	13.84
Boral	3.50	3.50
Bougainville	0.65	0.65
Coles Myer	12.86	12.70
Comalco	3.75	3.66
CRA	12.80	12.54
CSR	4.81	4.81
Dunlop	5.74	5.68
Fosters Brew	1.90	1.86
Goodman Field	1.63	1.63
ICI Australia	5.78	5.64
Magellan	2.20	2.20
MIM	2.29	2.25
Nat Aust Bank	8.08	7.99
News Corp	15.30	15.10
Nine Network	0.70	0.69
Pioneer Int'l	3.30	3.25
Nmndy Poseidon	1.12	1.15
N Broken Hill	2.63	2.53
QCT Resources	1.22	1.21
Santos	3	2.92
TNT	1.53	1.52
Western Mining	4.65	4.64
Westpac Banking	4.45	4.46
Woodside	3.88	3.88

All ordinaries index : 1675.10
Previous : 1659.70

Tokyo

	Close	Prev.
Akai Electr	710	704
Asahi Chemical	725	694
Asahi Glass	1200	1160
Bank of Tokyo	1550	1520
Bridgestone	1090	1030
Canon	1450	1410
Casio	1320	1280
C.Itoh	660	615
Dai Nippon Print	1530	1460
Daiwa House	2060	2010
Daiwa Securities	1210	1190
Fanuc	4330	4210
Fuji Bank	2560	2500
Fuji Photo	2890	2780
Fujitsu	844	800
Hitachi	939	912
Hitachi Cable	806	800
Honda	1520	1510
Ito Yokado	4530	4330
Japan Airlines	1010	980
Kajima	1480	1400
Kansai Power	3030	2900
Kawasaki Steel	371	357
Kirin Brewery	1390	1340
Komatsu	790	749
Kubota	680	637
Kyocera	4080	3950
Matsu Elec Inds	1490	1450
Matsu Elec Wks	1300	1300
Mitsubishi Bk	2650	2590
Mitsubishi Kasei	524	505
Mitsubishi Elec	597	577
Mitsubishi Hev	729	696
Mitsubishi Corp	1310	1300
Mitsui and Co	785	758
Mitsukoshi	1240	1200
Mitsumi	1230	1200
NEC	1230	1200
NGK Insulators	1160	1130
Nikko Securities	913	859
Nippon Kogaku	900	895
Nippon Oil	950	900
Nippon Steel	383	375
Nippon Yusen	607	577
Nissan	677	632
Nomura Sec	1680	1620
NTT (SF)	8295	7868
Olympus Optical	1340	1340
Pioneer	3600	3440
Ricoh	640	640
Sanyo Elec	535	518
Sharp	1390	1320
Shimazu	744	729
Shinetsu Chem	1550	1490
Sony	4400	4100
Sumitomo Bk	2280	2120
Sumitomo Chem	482	470
Sumi Marine	1030	985
Sumitomo Metal	361	350
Taisei Corp	893	863
Taisho Marine	1040	970
Takeda Chem	1350	1310
TDK	4200	4000
Teijin	530	509
Tokyo Marine	1350	1290
Tokyo Elec Pw	3700	3540
Toppan Printing	1390	1370
Toray Ind.	646	636
Toshiba	675	635
Toyota	1530	1500
Yamaichi Sec	770	736

Nikkei 225 : 23801
Previous : 22984
Topix Index : 1763
Previous : 1715

Toronto

	Close	Prev.
Abitibi Price	14⅛	14½
Agnico Eagle	4.45	4.45
Air Canada	7⅝	7⅝
Alberta Energy	12⅝	12⅝
Am Barrick Res	30⅞	31⅛
BCE	48⅛	47⅞
Bk Nova Scotia	21⅜	21⅜
BC Gas	17⅛	17⅛
BC Phone	23	23
BF Realty Hds	0.13	0.11
BP Canada	11⅛	11⅛
Bramalea	5⅛	5⅜
Brunswick	7½	7⅛
CAE	6½	6⅝
Campeau	0.46	0.52
CIBC	34⅝	34⅜
Canadian Pacific	18⅛	18⅛
Can Packers	17⅛	17
Can Tire A	23⅛	23
Canadian Turbo	1.82	1.95
Canfor	25⅛	25
Cara	5½	5⅝
CCL Ind B	9⅛	9⅛
Cineplex	3.20	3.40
Cominco	21⅛	21⅛
Conwest Expl A	9⅛	9⅛
Corona Int'l	5½	N.Q.
Denison Min B	0.15	0.15
Dickenson Min A	3½	3½
Dofasco	17½	17⅝
Dylex A	3.30	3.15
Echo Bay Mines	8⅞	8⅝
Equity Silver A	1.06	1.10
FCA Int'l	5½	5½
Fed Ind A	7⅛	7⅛
Fletcher Chall A	16½	16⅝
FPI	6¼	6½
GoldCorp	3.15	3.15
Grafton Group	0.35	0.25
Gulf Cda Res	6	6
Hees Int'l	14⅞	14½
Hemlo Gld Mines	11	11¼
Hollinger	11⅝	11⅛
Horsham	10⅝	10⅝
Hudson's Bay	33¼	33⅛
Imasco	36⅛	36½
Inco	34⅞	35½
Interprov pipe	33	32⅝
Jannock	16⅛	17
Labatt	26⅛	25⅝
Loblaw Co	18¼	18½
Mackenzie	6⅛	5⅞
Magna Intl A	21¼	20⅝
Maritime	21⅛	21
Mark Res	6⅛	6¼
MacLean Hunter	11¼	11⅛
Molson A	30⅛	30⅛
Noma Ind A	6	5⅞
Noranda Inc	18⅛	18⅛
Noranda Forest	9	9
Norcen Energy	23¼	23⅛
Nova Corp	7⅛	7⅛
Oshawa	22⅛	22⅛
Pagurin A	5½	5⅛
Placer Dome	12	12⅛
Poco Petroleum	5½	5⅛
PWA Corp	5½	5⅛
Quebec Sturgeon	N.Q.	—
Rayrock	5¼	5⅛
Renaissance	13⅝	13⅛
Rogers B	14½	14
Rothmans	76½	77⅛
Royal Bank Can	28	28
Royal TrustCo	8¼	8⅛
Sceptre Res	1.65	1.70
Scott's Hosp	15⅛	15⅛
Seagram	131¾	132½
Sears Can	10¼	10⅛
Shell Can	39	38⅛
Sherritt Gordon	7⅛	7¼
SHL Systemhse	9	8⅛
Southam	17½	17½
Spar Aerospace	16⅛	15⅝
Stelco A	N.Q.	—
Teck B	18½	18⅛
Thomson News	16½	16
Toronto Domn	18⅛	18⅛
Torstar B	22¼	21¾
TransAlta Util	13⅛	13½
TransCda Pipe	17½	17⅛
Trilon Finl A	11	11
Trimac	8⅛	8⅛
Trizec A	10	9⅞
Unicorp Energy	0.65	0.60
Woodward's Ltd	2	2.10

TSE 300 Index : 3524.80
Previous : 3517.50

Zurich

	Close	Prev.
Adia Int'l	398	400
Alusuisse	7	N.Q.
Leu Holdings	1750	1750
Brown Boveri	3390	3340
Ciba Geigy	3240	3240
CS Holding	1800	1795
Elektrow	2560	2530
Fischer	920	890
Interdiscount	2350	2470
Jelmoli	1350	1360
Landis Gyr	1165	1150
Moevenpick	3760	3850
Nestle	8690	8860
Oerlikon-B	230	230
Pargesa Hld	1050	1050
Roche Holding B	2730	2710
Safra Republic	71	71
Sandoz	2430	2400
Schindler	3300	3350
Sulzer	424	424
Surveillance	7070	7050
Swissair	690	710
SBC	305	308
Swiss Reinsur	490	490
Swiss Volksbank	985	980
Union Bank	3650	3670
Winterthur	3570	3540
Zurich Ins	1900	1910

SBS Index : 607.20
Previous : 605.40

U.S. FUTURES

Via Associated Press Jan. 6

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.09¾	2.79	Mar	4.00¾	4.01¼	3.96	3.98½	—.01
3.86¼	2.80½	May	3.75½	3.79	3.75	3.77¼	+.00½
3.49	2.79	Jul	3.39	3.44	3.39	3.41½	+.02¼
3.52	2.92	Sep	3.41½	3.46¾	3.41½	3.45	+.02½
3.58½	3.29½	Dec	3.52½	3.55	3.52	3.52¾	—.00¾
3.58	3.17	Mar	3.56	3.56	3.56	3.54½	—.01½
Est. Sales Prev. Sales 11,290							
Prev. Day Open Int. 54,820							

WHEAT (KCBT) dollars per bushel					
Mar	3.96½	3.98½	3.94¼	3.95	— .02
May	3.72	3.75	3.71¼	3.73¼	— .01
Jul	3.41½	3.47	3.41½	3.44	+ .00¼
Sep	3.45	3.49	3.45	3.47	—
Dec				3.54½	—

Est.Sales Prv.Sales 5,745 Prev.Day Open Int 34,969 unch Chg.

Season High	Season Low		Open	High	Low	Close	Chg.
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.77¼	2.28½	Mar	2.48½	2.51	2.48	2.49¾	+.01
2.79½	2.34¼	May	2.54	2.56¾	2.54	2.56¼	+.01¼
2.82	2.39½	Jul	2.59¼	2.61½	2.59	2.60¾	+.01¼
2.65	2.36½	Sep	2.58½	2.60¼	2.58½	2.59	+.00½
2.60¾	2.36½	Dec	2.56¼	2.58¼	2.56¼	2.57½	+.00½
2.67½	2.58¾	Mar	2.63½	2.64¾	2.63½	2.64¼	+.00¾
2.69	2.68	May	2.68	2.68¾	2.68	2.68¾	+.00½
Est. Sales Prev. Sales 35,504							
Prev. Day Open Int.226,760							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.59	5.27½	Jan	5.50	5.60½	5.50	5.58	+.07
6.66	5.38	Mar	5.49½	5.62½	5.49½	5.59	+.08
6.68	5.47	May	5.55½	5.68	5.55½	5.65¼	+.08¼
6.68	5.62½	Jul	5.63	5.76½	5.63	5.72½	+.08¼
6.60	5.67½	Aug	5.69½	5.79	5.69	5.75¼	+.07¾
6.28	5.57	Sep	5.71	5.77¾	5.71	5.76	+.08
6.20¾	5.52	Nov	5.73	5.83½	5.73	5.79	+.07¼
6.01	5.58	Jan				5.88	+.07
6.10	5.93	Mar	6.00	6.01	6.00	5.99	+.08½
Est. Sales Prev. Sales 26,466							
Prev. Day Open Int.108,655							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
197.00	161.30	Jan	170.50	173.90	170.50	173.20	+2.50
197.00	163.50	Mar	169.70	172.70	169.70	171.90	+2.30
194.00	164.50	May	170.50	172.40	169.80	172.20	+2.40
196.00	166.00	Jul	171.70	173.30	170.80	173.20	+2.40
188.50	170.90	Aug	174.20	174.30	173.80	174.00	+2.40
186.00	171.30	Sep	173.50	175.00	173.00	174.50	+1.90
194.00	182.30	Oct	186.50	188.50	186.30	188.50	+2.90
196.00	183.50	Dec	187.50	189.50	187.50	189.20	+1.70
Est. Sales Prev. Sales 16,460							
Prev. Day Open Int. 69,552							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
24.15	18.35	Jan	18.45	18.75	18.45	18.55	+.10
24.10	18.60	Mar	18.72	19.04	18.72	18.76	+.07
23.90	18.93	May	19.08	19.34	19.05	19.08	+.08
24.30	19.25	Jul	19.36	19.62	19.36	19.38	+.06
22.30	19.42	Aug	19.54	19.65	19.54	19.53	+.04
22.30	19.57	Sep	19.80	19.80	19.75	19.66	+.05
22.30	19.66	Oct	19.90	19.90	19.90	19.77	+.11
22.60	19.95	Dec	20.05	20.05	20.05	20.05	+.05
20.50	20.50	Jan				20.05	+.05
Est. Sales Prev. Sales 20,291							
Prev. Day Open Int. 65,779							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.70	68.90	Feb	72.85	73.05	72.10	72.27	+.35
77.00	70.45	Apr	73.70	73.92	73.17	73.25	+.33
75.15	67.40	Jun	69.10	69.25	68.57	68.60	+.18
72.60	65.90	Aug	67.20	67.20	66.40	66.45	+.05
72.00	66.25	Oct	67.20	67.50	66.80	66.90	
71.60	67.20	Dec	68.25	68.25	67.75	67.95	+.10
Est. Sales 17,900 Prev. Sales 11,196							
Prev. Day Open Int. 69,163							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
87.80	75.70	Jan	78.20	78.25	77.55	77.70	+.75
87.10	74.00	Mar	75.60	76.00	74.90	75.25	+.60
87.00	73.25	Apr	74.95	75.15	74.32	74.45	+.55
86.50	72.65	May	73.75	74.30	73.35	73.37	+.45
83.00	72.65	Aug	73.90	74.05	73.30	73.30	+.25
82.20	72.15	Sep	73.10	73.10	72.90	72.82	+.32
79.50	72.30	Oct	72.80	72.80	72.80	72.72	+.32
83.00	73.50	Nov				72.70	
Est. Sales 2,451 Prev. Sales 1,422							
Prev. Day Open Int. 9,681							
HOGS (CME) 40,000 lbs.- cents per lb.							
48.25	38.82	Feb	40.45	40.45	39.47	39.50	+.55
46.62	37.25	Apr	38.80	38.80	38.35	38.40	+1.10
50.60	42.37	Jun	43.97	43.97	43.70	43.77	+1.30
48.20	43.05	Jul	44.47	44.47	44.30	44.37	+1.20
46.85	41.80	Aug	43.35	43.35	42.80	42.85	+1.00
42.00	39.20	Oct	41.00	41.00	40.48	40.45	+.95
43.60	41.10	Dec	43.90	43.90	43.00	43.05	+.65
47.25	43.40	Feb	44.90	44.90	44.90	44.40	+1.00
Est. Sales 544 Prev. Sales 3,518							
Prev. Day Open Int. 19,007							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.00	35.22	Feb	37.50	37.50	35.15	35.75	+.25
61.00	35.75	Mar	37.80	37.80	35.80	36.15	+.35
58.20	36.97	May	39.10	39.10	37.00	37.42	+.32
57.00	37.22	Jul	39.30	39.30	37.35	37.82	+.32
51.00	36.50	Aug	38.60	38.60	36.55	36.90	+.30
Est. Sales 4,192 Prev. Sales 1,610							
Prev. Day Open Int. 12,086							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
107.50	76.80	Mar	79.60	80.20	78.30	78.50	—.80
108.00	79.50	May	82.25	82.70	81.00	81.20	—.75
108.00	82.10	Jul	84.80	85.20	83.60	83.80	—.75
108.00	85.00	Sep	87.25	87.25	86.50	86.55	—.28
107.25	89.00	Dec	90.50	90.50	90.50	89.90	—1.10
94.75	91.80	Mar				93.00	—.50
95.05	93.75	May	96.00	96.00	96.00	95.50	
Est. Sales 5,645 Prev. Sales 8,252							
Prev. Day Open Int. 45,175							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
10.14	7.56	Mar	8.43	8.60	8.43	8.49	+.09
9.77	7.65	May	8.37	8.53	8.36	8.45	+.08
9.16	7.80	Jul	8.37	8.48	8.36	8.41	+.04
9.06	7.93	Oct	8.28	8.35	8.25	8.31	+.04
9.04	8.20	Mar	8.28	8.35	8.27	8.33	+.06
8.60	8.45	May	8.30	8.30	8.30	8.34	+.08
Est. Sales 16,113 Prev. Sales 23,839							
Prev. Day Open Int. 93,781							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1538	997	Mar	1229	1248	1223	1227	—2
1388	1026	May	1265	1282	1263	1265	—1
1410	1056	Jul	1299	1316	1298	1300	—1
1427	1080	Sep	1330	1336	1328	1328	—3
1460	1119	Dec	1373	1379	1370	1368	—5
1495	1272	Mar	1407	1415	1405	1404	—1
1518	1210	May				1426	—1
1530	1294	Jul				1448	—1
1536	1455	Sep	1465	1472	1465	1472	+2
		Dec	1500	1500	1500	1502	+4
Est. Sales 4,854 Prev. Sales 3,041							
Prev. Day Open Int. 52,873 off 395							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
178.80	112.65	Jan	156.30	155.30	153.20	153.90	—2.10
178.40	113.40	Mar	156.15	156.20	153.60	154.35	—2.20
177.95	115.00	May	156.50	156.50	154.50	155.70	—1.55
175.50	115.25	Jul	156.75	156.75	155.00	155.80	—1.45
175.00	118.00	Sep	155.75	155.75	155.00	155.30	—1.05
165.50	118.00	Nov				147.00	—1.50
163.00	126.00	Jan	145.95	145.95	145.95	145.30	—.95
145.00	145.00	Mar				145.30	—.95
		May				145.30	—.95
Est. Sales Prev. Sales 824							
Prev. Day Open Int. 8,674 off 40							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
106.60	94.30	Jan	94.65	95.70	94.65	95.30	—.10
105.70	95.00	Feb	96.05	96.05	95.85	95.70	—.20
106.80	93.90	Mar	95.35	96.55	95.15	96.05	
103.00	93.50	Apr				96.10	
106.20	93.30	May	95.70	96.70	95.50	96.30	+.05
102.00	95.10	Jun	96.00	96.00	96.00	96.40	
103.80	92.80	Jul	96.10	96.60	96.10	96.55	+.10
101.00	95.70	Aug	96.15	96.15	96.15	96.60	+.10
103.45	92.80	Sep	96.30	96.80	96.15	96.60	+.10
99.80	95.90	Oct				96.60	+.70
98.40	96.00	Nov				96.65	+.10
101.10	91.60	Dec				96.70	+.10
98.00	2.50	Jan				96.70	+.10
100.50	92.80	Mar				96.70	+.10
99.30	93.70	May				96.75	+.15
97.60	95.80	Jul				96.80	+.20
96.65	96.00	Sep				96.80	+.20
Est. Sales 6,100 Prev. Sales 9,061							
Prev. Day Open Int. 46,617							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
596.0	381.5	Jan	391.0	394.5	390.5	394.1	—4
413.0	385.0	Feb				395.3	—5
613.0	381.0	Mar	395.0	397.0	391.0	396.7	—5
589.0	384.5	May	398.5	400.5	394.8	400.1	—5
557.0	388.5	Jul	402.0	404.0	398.0	403.2	—6
483.0	395.0	Sep				406.3	—7
507.8	398.0	Dec	408.0	411.0	406.0	411.1	—9
505.0	427.0	Jan				412.8	—1.0
513.0	407.0	Mar				416.3	—1.1
473.0	411.0	May				420.0	—1.2
470.5	412.5	Jul				423.7	—1.3
450.0	418.0	Sep				427.9	—1.4
Est. Sales 12,000 Prev. Sales 14,900							
Prev. Day Open Int. 92,223							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
451.50	331.00	Jan	334.00	334.00	330.80	333.50	
438.50	332.20	Apr	334.10	334.50	329.50	334.00	
427.50	335.00	Jul	335.00	335.50	332.00	335.50	
404.00	341.00	Oct	337.00	341.50	336.00	340.80	
384.00	343.00	Jan	344.00	344.00	340.00	342.00	
Est. Sales Prev. Sales 1,532							
Prev. Day Open Int. 15,357							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
135.75	78.25	Mar	79.00	79.25	77.80	79.00	+.45
101.75	80.00	Jun	80.00	80.00	78.65	79.75	+.45
85.00	81.80	Sep				80.75	+.45
90.20	82.25	Dec	80.80	81.00	80.80	81.80	+.45
Est. Sales Prev. Sales 3,708							
Prev. Day Open Int. 3,708							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
363.00	351.00	Jan				349.30	—1.10
456.50	349.80	Feb	351.80	352.00	348.50	350.30	—1.20
353.50	353.50	Mar				351.30	—1.20
446.00	353.00	Apr	353.80	354.20	350.70	352.50	—1.20
467.00	355.00	Jun	356.80	356.00	353.80	354.60	—1.20
426.50	357.00	Aug	358.30	358.30	355.00	356.60	—1.20
410.80	360.30	Oct				358.50	—1.30
406.80	362.00	Dec	362.50	362.50	359.40	360.60	—1.40
404.20	378.00	Feb				362.70	—1.50
410.00	368.50	Apr				364.70	—1.60
411.80	370.00	Jun	366.30	366.30	366.00	366.90	—1.60
395.50	380.50	Aug				369.30	—1.60
395.00	378.70	Oct				371.80	—1.70
376.50	376.50	Dec				374.30	—1.70
Est. Sales 30,000 Prev. Sales 27,032							
Prev. Day Open Int.113,756							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
96.38	92.42	Mar	96.30	96.31	96.28	96.30	+.03
96.30	92.15	Jun	96.24	96.25	96.22	96.24	+.02
96.13	93.87	Sep	96.09	96.09	96.03	96.05	+.01
95.67	93.98	Dec	95.70	95.70	95.69	95.69	+.01
95.43	.95	Mar				95.43	
Est. Sales Prev. Sales 2,730							
Prev. Day Open Int. 48,327							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
07.065	99.250	Mar	106.180	106.215	106.170	106.205	+.040
06.070	103.110	Jun	105.215	105.215	105.215	105.225	+.040
Est. Sales Prev. Sales 24,157							
Prev. Day Open Int. 97,654							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
107-17	95-8	Mar	106-9	106-21	106-8	106-15	+6
106-9	98-11	Jun	105-15	105-18	105-15	105-15	+7
105-11	100-21	Sep	104-18	104-18	104-18	104-16	+6
103-28	103-28	Dec				103-24	—4
Est. Sales Prev. Sales 44,018							
Prev. Day Open Int.105,572							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
104-30	85-14	Mar	103-30	104-22	103-30	104-19	+21
103-27	85-3	Jun	102-29	103-18	102-29	103-17	+21
102-25	87-14	Sep	102-12	102-16	102-9	102-16	+20
101-27	85-6	Dec	101-12	101-17	101-12	101-17	+20
100-29	90-16	Mar	100-20	100-20	100-20	100-21	+19
100-3	90-22	Jun	99-22	99-26	99-22	99-26	+19
94-29	90	Sep	98-29	99-1	98-29	99-1	+19
97-3	92-18	Dec	98-13	98-13	98-8	98-9	+19
97	90	Mar				97-19	+15
93-13	93-3	Jun				96-31	+19
Est. Sales Prev. Sales 284,492							
Prev. Day Open Int.303,504							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
97-19	88	Mar	97-9	97-11	97-1	97-8	+10
97-2	93-4	Jun	96-27	96-27	96-18	96-21	+3
95-6	95-6	Sep				96-9	+3
Est. Sales Prev. Sales 1,648							
Prev. Day Open Int. 21,859							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
96.01	90.09	Mar	95.93	95.96	95.93	95.95	+.04
95.95	90.35	Jun	95.83	95.87	95.83	95.85	+.04
95.70	90.32	Sep	95.63	95.67	95.62	95.64	+.04
95.23	90.34	Dec	95.20	95.22	95.17	95.19	+.04
94.98	90.28	Mar	94.94	94.96	94.93	94.93	+.04
94.53	90.27	Jun	94.48	94.52	94.48	94.49	+.04
94.09	90.27	Sep	94.06	94.07	94.05	94.05	+.04
93.56	90.22	Dec	93.47	93.49	93.47	93.48	+.04
93.47	90.24	Mar	93.35	93.36	93.31	93.33	+.03
93.22	90.40	Jun	93.10	93.11	93.08	93.08	
93.01	90.36	Sep	92.88	92.89	92.84	92.84	
92.65	90.71	Dec	92.51	92.52	92.47	92.49	
92.65	90.75	Mar	92.53	92.53	92.48	92.50	
92.50	90.71	Jun	92.39	92.39	92.33	92.36	
92.36	91.31	Sep	92.24	92.24	92.20	92.22	
92.19	91.82	Dec	92.05	92.05	92.01	92.03	
Est. Sales Prev. Sales 127,483							
Prev. Day Open Int.046,650							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8646	1.5670	Mar	1.8470	1.8580	1.8444	1.8566	+370
1.8330	1.6510	Jun	1.8170	1.8270	1.8160	1.8258	+302
1.8080	1.7250	Sep	1.8000	1.8000	1.8000	1.7996	+298
Est. Sales Prev. Sales 12,205							
Prev. Day Open Int. 20,028							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8856	.8268	Mar	.8668	.8706	.8667	.8702	+35
.8820	.8330	Jun	.8617	.8651	.8615	.8648	+36
.8774	.8420	Sep				.8595	+35
.8740	.8377	Dec				.8547	+35
.8712	.8430	Mar				.8502	+35
Est. Sales Prev. Sales 5,963							
Prev. Day Open Int. 19,748							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6563	.5353	Mar	.6485	.6530	.6480	.6523	+113
.6478	.5322	Jun	.6405	.6444	.6397	.6437	+112
.6380	.5685	Sep	.6350	.6350	.6350	.6359	+112
.6106	.5950	Dec				.6296	+112
Est. Sales Prev. Sales 46,034							
Prev. Day Open Int. 52,391							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008058	.007000	Mar	.008009	.008082	.008008	.008080	+83
.008025	.007150	Jun	.007990	.008055	.007990	.008059	+92
.007900	.007280	Sep				.008047	+92
.007910	.007512	Dec				.008041	+92
		Mar				.008044	+97
Est. Sales Prev. Sales 23,198							
Prev. Day Open Int. 60,499							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7394	.6267	Mar	.7318	.7395	.7310	.7384	+160
.7325	.6546	Jun	.7244	.7320	.7240	.7314	+159
.7225	.6890	Sep				.7249	+158
Est. Sales Prev. Sales 16,593							
Prev. Day Open Int. 26,342							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
77.15	58.35	Mar	59.90	60.65	59.80	60.10	+.27
92.25	59.51	May	61.40	61.99	61.30	61.55	+.26
77.70	60.35	Jul	62.70	63.05	62.40	62.65	+.10
70.60	62.30	Oct	64.00	64.06	63.90	64.06	+.16
69.00	62.35	Dec	64.25	64.60	64.25	64.27	—.04
67.30	64.25	Mar	65.55	65.55	65.55	65.48	—.02
66.25	66.25	May	66.00	66.00	66.00	66.20	+.10
Est. Sales 5,100 Prev. Sales 5,610							
Prev. Day Open Int. 35,143 up 344							
HEATING OIL (NYME) 42,000 gal- cents per gal							
70.70	49.10	Feb	51.50	52.60	51.15	51.85	—.29
67.00	50.25	Mar	52.20	53.40	52.15	52.90	—.06
63.45	50.00	Apr	52.30	53.10	52.10	52.50	—.25
61.60	48.25	May	51.60	52.50	51.60	52.00	
60.20	48.00	Jun	51.20	52.00	51.20	51.30	—.20
59.45	50.00	Jul	51.25	52.05	51.25	51.50	
59.75	51.30	Aug	52.40	52.60	52.40	52.50	+.20
60.90	53.10	Sep	52.70	53.70	53.70	53.70	+.15
61.70	53.75	Oct	54.70	55.00	54.70	54.80	+.30
Est. Sales Prev. Sales 34,958							
Prev. Day Open Int.108,688							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
27.00	17.50	Feb	19.07	19.45	18.95	19.21	—.02
26.75	17.25	Mar	19.05	19.43	18.09	19.20	—.02
26.50	17.50	Apr	19.08	19.40	19.02	19.21	—.03
24.60	17.30	May	19.05	19.36	19.04	19.21	—.03
24.50	17.70	Jun	19.06	19.35	19.06	19.21	—.03
22.11	17.90	Jul	19.10	19.32	19.02	19.21	—.03
21.80	17.75	Aug	19.09	19.32	19.09	19.21	—.03
24.00	17.78	Sep	19.10	19.30	19.10	19.21	—.03
21.56	18.85	Oct	19.11	19.31	19.08	19.21	—.03
21.48	19.00	Nov	19.34	19.34	19.34	19.23	—.03
24.00	18.25	Dec	19.20	19.37	19.20	19.25	—.04
21.36	19.07	Jan	19.38	19.38	19.16	19.28	—.04
21.29	19.07	Feb	19.39	19.39	19.35	19.29	—.04
21.26	18.51	Mar	19.41	19.39	19.39	19.30	—.04
21.14	19.16	Apr	19.43	19.43	19.41	19.31	—.05
21.10	19.18	May	19.45	19.45	19.43	19.32	—.06
21.35	19.22	Jun	19.47	19.47	19.45	19.34	—.06
19.60	19.25	Jul	19.49	19.49	19.47	19.36	—.06
21.13	19.30	Sep	19.50	19.50	19.50	19.44	—.06
20.65	19.34	Dec				19.54	—.08
Est. Sales Prev. Sales 97,175							
Prev. Day Open Int. 97,175							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
64.90	50.70	Feb	54.75	55.90	54.75	55.10	—.17
65.65	50.50	Mar	56.00	56.80	56.00	56.25	—.35
69.60	57.30	Apr	60.20	60.80	60.10	60.40	—.30
69.00	57.30	May	60.81	61.15	60.50	61.00	—.16
67.70	58.00	Jun	60.00	60.05	59.95	60.00	—.43
66.30	57.85	Jul	59.20	59.35	58.95	59.10	—.25
64.85	56.90	Aug	57.90	58.00	57.90	58.00	—.10
63.00	55.80	Sep	56.30	56.75	56.30	56.75	+.15
60.20	54.30	Oct	54.35	54.80	54.35	54.50	+.05
Est. Sales Prev. Sales 25,713							
Prev. Day Open Int.122,543							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
421.90	372.90	Mar	419.50	421.40	418.20	419.80	—.45
422.90	374.50	Jun	421.00	422.70	419.90	421.15	—.35
421.40	379.00	Sep	422.50	422.60	422.50	422.70	—.45
419.00	419.00	Dec	423.00	423.00	423.00	424.15	—.45
Est. Sales Prev. Sales 50,730							
Prev. Day Open Int.141,994							
NYSE COMP. INDEX (NYFE) points and cents							
231.75	205.70	Mar	230.30	231.30	229.55	230.60	—.10
232.05	206.50	Jun	230.75	231.45	230.30	231.00	—.20
231.00	212.55	Sep	231.25	231.25	231.25	231.55	—.15
Est. Sales Prev. Sales 4,428							
Prev. Day Open Int. 4,951							

Commodity Indexes

	Close	Previous
Moody's	965.80	969.80
Reuters	1,584.30	1,591.20
D.J. Futures	120.84	120.21
Com. Research	208.15	207.30

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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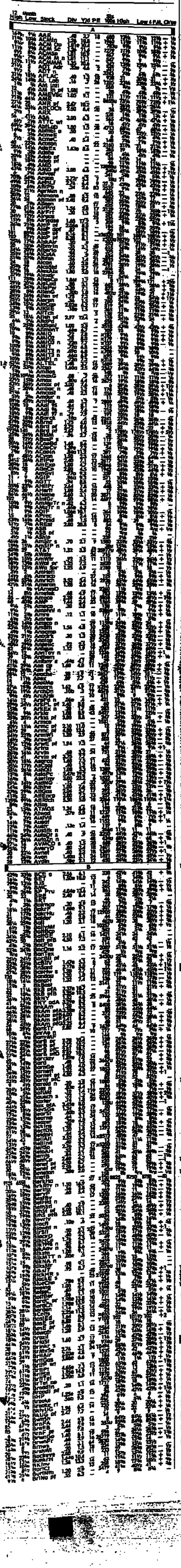
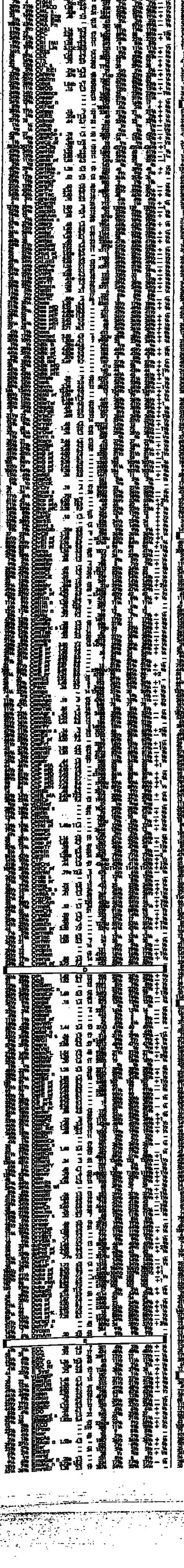
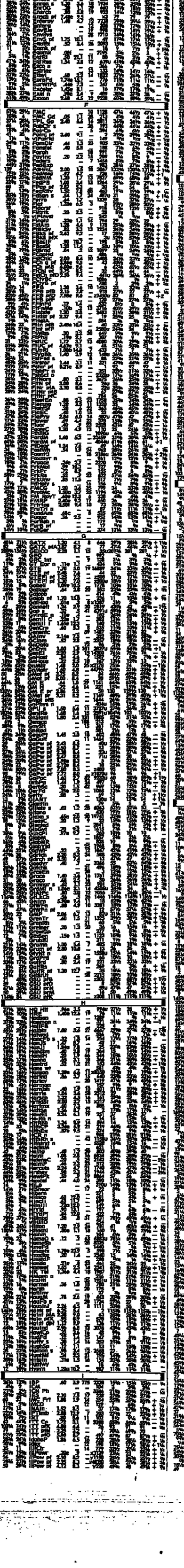
NYSE

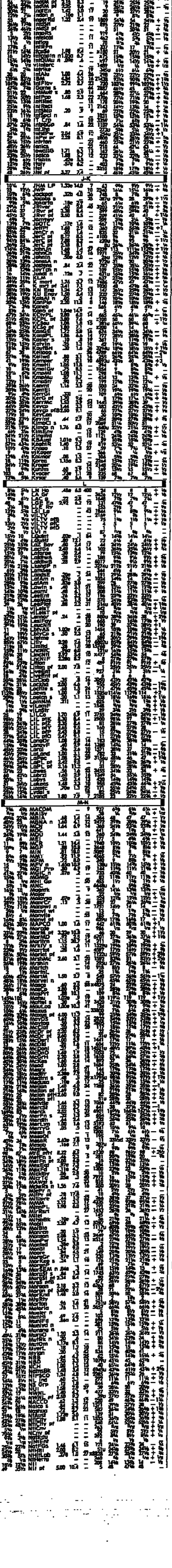
Monday's Closing

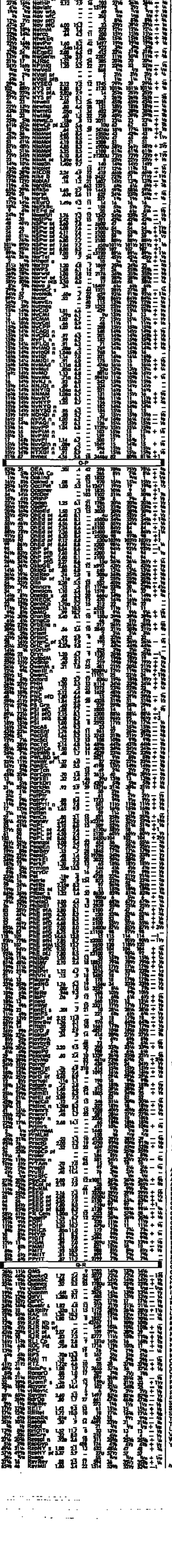
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

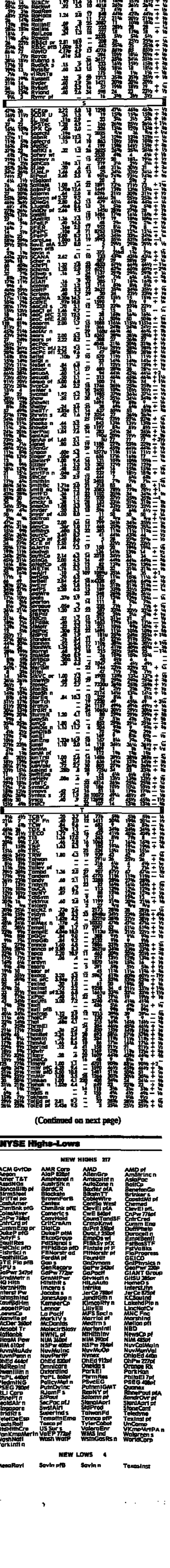












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NYSE Highs-Lows

NEW HIGHS 217

ACM GvtOp
Aegon
AlexTel T&T
AssctNGs
BancaBilb pf
BirmSteel
BritTel pa
CashAmer
ChmBnk pfG
ColeMyer
CtPw 748pf
CntrCrd pf
CumpEng pr
DukeP pfG
DutyFls
EquilRes
FstChic pfD
FishrSci n
FstHillCp
GTE Fla pfB
GPU s
GaPwr 347pf
GrndAerfr n
HQ Hlth
HerzNHlth
Interst Pw
JohnstnInd
LeggMas Rm
LeggetPlat
LoewsCp
Manvlle pf
McDer 360pf
Mesabi Tr
Nationbk
NiagM Pow
NIM 610pf
NuvnMuAdv
NuvnPenn n
OhEd 444pf
OldResInl
OwenIllin n
PaPL 440pf
PSEG 780pf
RLI Corp
RhnePl n
SealdAir n
Singapore
StridRit s
TelefDeEsp
TootsRoll
UtdMnCre
VanKmaMerIn
WashNatl
YorkInt n

AMR Corp
AlaP 828pf
AmshrstIn n
AustrSilk n
BardCR
Blockbstr
BrnsnForB
Centex
ChmBnk pfE
Comerica s
ConsHold
CrthCreAm
DialCp
DukeP pfM
EdisonGroup
FdlSignal s
FtFldBco pfD
FtNorstr ad
FordM pf
Gap s
GenRecore
GaPw 772pf
HltshR s
Imcera s
Jacobs s
JonesApp n
KemperCo
Lennar
La Pac
MarkIV s
McDonlds
MolecrBiosy
NWNL pf
NIM 360pf
NSPw 468pf
NuvMuInc
NuvPerfP
OhEd 820pf
Omnicare
Oxford Ind
PaPL 880pf
PolicyMgt n
PutnDyInc
RJamF s
StPaul
SecPac pfJ
SwstAirl
Superind s
TempIntEms
Tesoro pf
US Sur s
VaEP 772pf
WashWatP

AMD
AllenGrp
AmsconInt n
AutoZone n
Baxter pfA
BksnTT
CableWire
CentSo West
ClevEl pfA
CwE 940pf
CoreStandSF
CrmpKmpl
duPnt 358pf
DuqLt 250pf
EmpDs pf
FtBkSy pfX
Flntsle pf F
FtNorstr pf
FoundHlth
GraDynam
GaPw 240pf
GaPacH
GrwNatl n
HillsAuto
Inprise
JerCe 788pf
JundtGth n
KimbrRty n
LillyEli
MFS Spcl n
Marriot pf
Medtrn s
MortenIntl
NtHlthInv
NIM 390pf
NSPw 784pf
NuvMuOp
Nymex
OhEd 912pf
Oneida s
ParkEl
PharmRes
PSvcEG
PutnIGMT
RepNY pf
Salomn pf
SignalApri
StdProd
TaiwanFd
Tennco pfP
TylerCabot
VolvoSer
WMS Ind
WstnGasRs n

AMD pf
AmStrinc n
BallPac
BallCp
BenetonGp
Brinkar s
CapsidMd pf
Chemed
ClevEl pfL
CnPw 776pf
CnIr Cred
Comm Ene
DuffPhelp
Duracell n
ElmdBenll
FstHosSTF
FstVaBks
FlaProgress
GEICO
GnlPhysics n
GeoPac 226p
GIANT Group
GtNSU 385pf
HomeDs
InterstJhn
JerCe 875pf
KCSouInd
LakshPlp n
LincNatCv
MNC Fnc
Marshlnd
Mellon pfI
NBD
NewsCp pf
NIM 485pf
NuvCalMuIn
NuvMunVal
OhioEd 468p
OhPw 227pf
Orange Rk
ParkHan
PhilEl 7pf
PSEG 408pf
Quanex
RhnePoul pfA
SandrOvr pf
SignalApri pf
StoneCont
Teledyne
Texinst pf
UnCamp
VirgMAMPA n
Wrigley s
WorldCorp

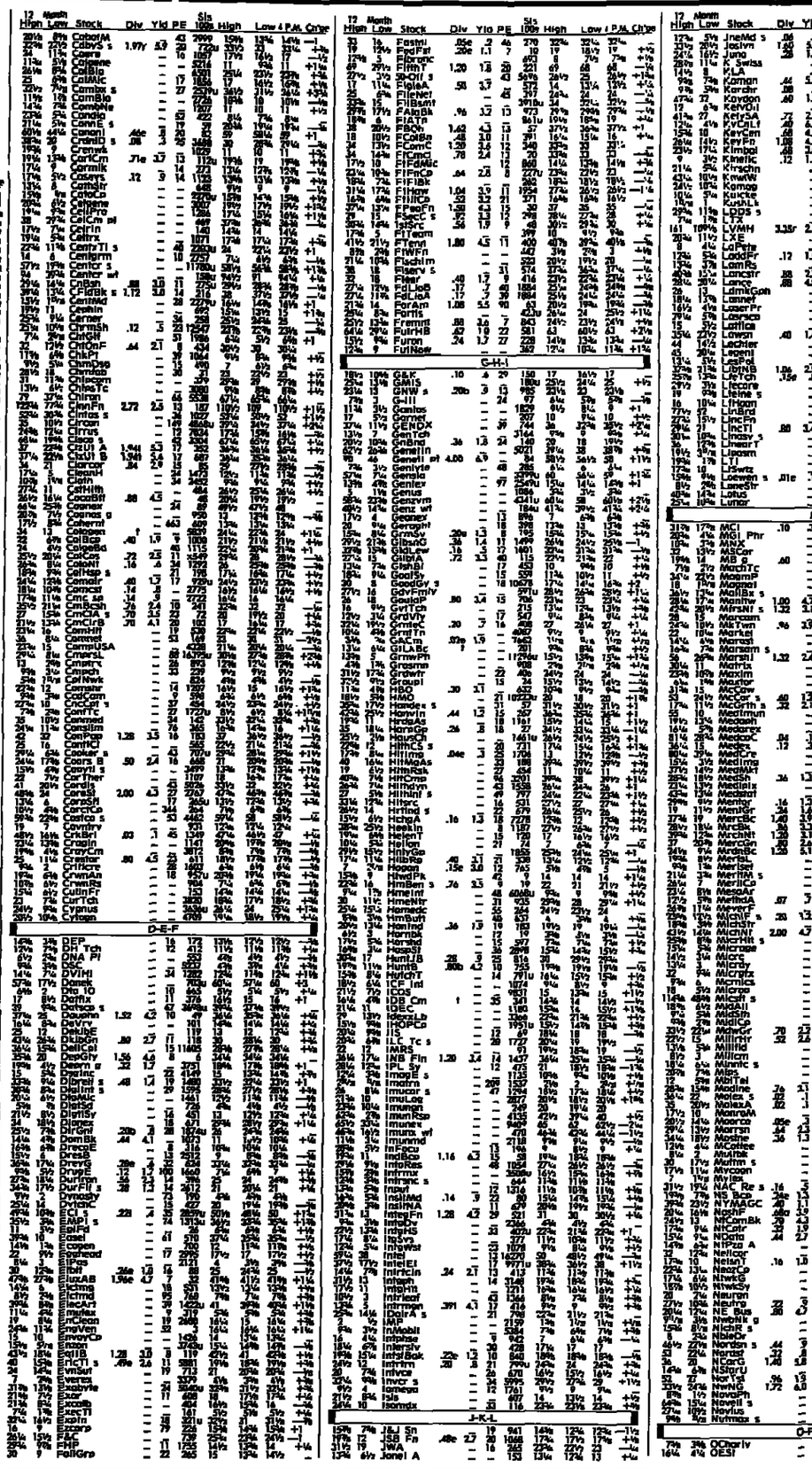
NEW LOWS 4

MesaRoyl
Savin pfB
Savin n
Texasinst

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

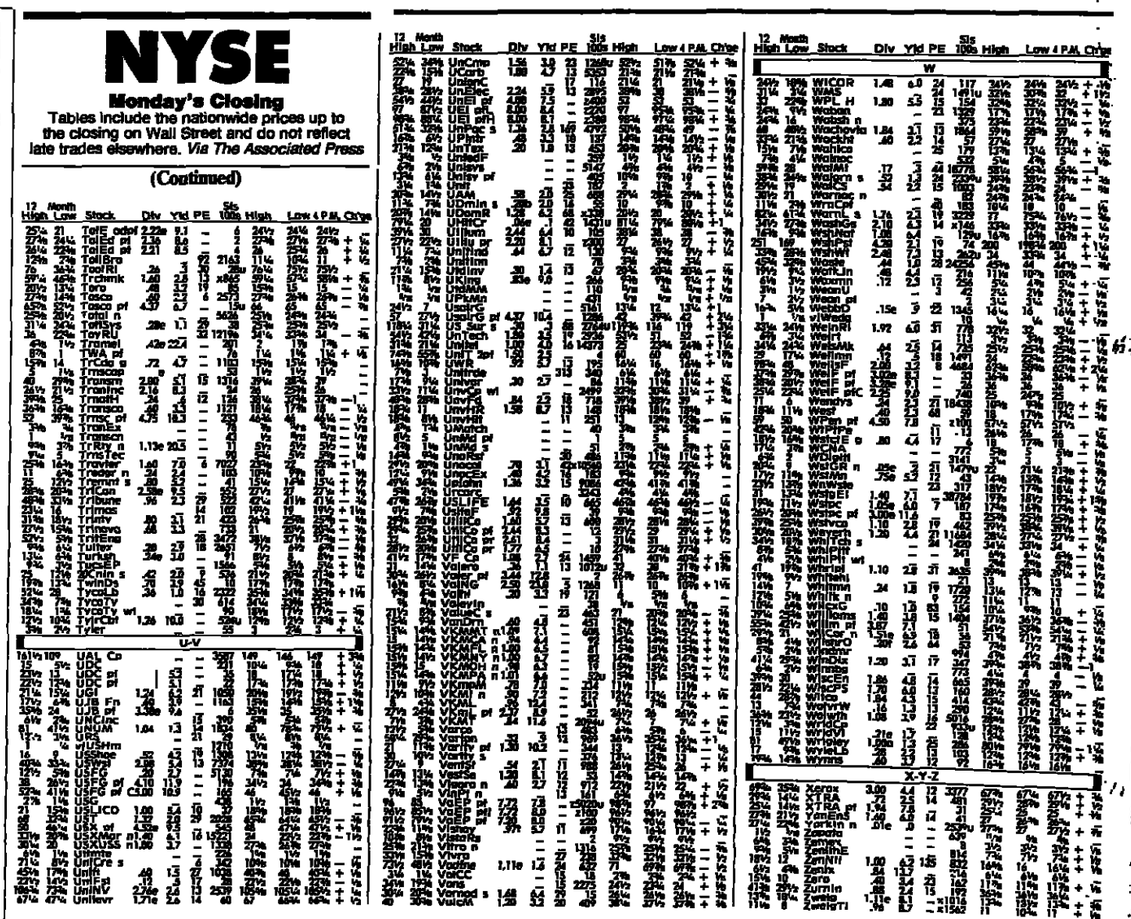


NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



ASIA & THE PACIFIC:

MERGING BUSINESS & THE ENVIRONMENT

Bangkok, January 23-24, 1992

The International Herald Tribune is convening a major conference on the environment that will serve as a forum for leading government ministers, bankers and industrialists to meet and discuss the most pressing environmental issues and trends. The program will highlight ways in which business can respond to and profit from the environmental challenge.

JANUARY 23

09.30 KEYNOTE ADDRESS
H.E. Anand Panyarachun, Prime Minister, Thailand

10.15 FORGING A GLOBAL PARTNERSHIP FOR SURVIVAL
The Hon. Sir Shridath Ramphal, President of The World Conservation Union (IUCN) and Former Commonwealth Secretary-General

10.45 Coffee

11.15 THE POLITICAL AGENDA: A REGIONAL RESPONSE
Environmental Protection: How Much Of The Cost Should Government and Industry Bear?
H.E. Fulgencio S. Factoran, Jr., Secretary, Department of Environment and Natural Resources, Philippines
Population, Economic Growth & Environmental Protection
H.E. Prof. Dr. Emil Salim, Minister of State for Population and Environment, Indonesia
Can Southeast Asia's Tropical Forests Be Saved?
Dato Seri Dr. Lim Keng Yaik, Minister of Primary Industries, Malaysia

12.45 Lunch

14.00 THE ENVIRONMENT BUSINESS: IN SEARCH OF ROLE MODELS IN THE ASIA-PACIFIC
Dr. David Bellamy, Botanist, Conservationist, Writer and Broadcaster

14.40 THE ENVIRONMENT AND WORLD TRADE
Arthur Dunkel, Director-General, GATT
H.E. Nobutoshi Akao, Ambassador for Global Environmental Affairs and Asia-Pacific Cooperation, Ministry of Foreign Affairs, Japan

16.00 Tea

16.15 THE ENERGY OUTLOOK & THE ENVIRONMENTAL CHALLENGE
Peter Hadfield, Group Planning Coordinator, Royal Dutch/Shell Group of Cos., London

16.45 CAN TOURISM AND CONSERVATION CO-EXIST?
H.E. Mechai Viravaidya, Minister, Prime Minister's Office, Thailand

17.15 DESIGNING OUR FUTURE
Jean-Michel Cousteau, E.V.P., The Cousteau Society

18.00 Cocktails

JANUARY 24

09.30 ENVIRONMENTAL PROBLEMS IN THE HIMALAYAS & THE PACIFIC
Sir Edmund Hillary, Explorer, Author and Diplomat

10.15 FINANCING SUSTAINABLE DEVELOPMENT
Gautam Kaji, V.P., East Asia & Pacific, World Bank, Washington D.C.

10.45 INVESTING IN GREEN FUNDS AND COMPANIES
Mark Street, Director and Chief Representative, James Capel (Far East) Ltd., Bangkok

11.15 Coffee

11.45 SEMINAR SESSIONS
Business Solutions To The Urban Challenge
Dr. Dhira Phantumvanit, Director, Natural Resources and Environment Program, Thailand Development Research Institute, Bangkok
Selling Green: The Role of Media
Alan Fairnington, President, Asia Pacific, J. Walter Thompson Co
Corporate Environmentalists: Selling Sustainable Development – But Can They Deliver?
John Elkington, Director, SustainAbility Ltd., and author of "The Green Business Guide," London

12.45 Lunch

14.00 WORLD ENVIRONMENTAL OUTLOOK: GLOBAL DANGERS – GLOBAL SOLUTIONS
Maurice Strong, Secretary-General, United Nations Conference on Environment and Development (UNCED)

14.45 INDUSTRIAL RESPONSE TO THE NEW ENVIRONMENTAL AGENDA
The Hon. J. Hugh Faulkner, PC, Executive Director, Business Council for Sustainable Development, Geneva
R. Natarajan, President, Union Carbide Asia Pacific Inc., Singapore
Saburo Kawai, Vice Chairman and President, Keizai Doyukai, Tokyo
Bjorn Stigson, President & CEO, ABB Flakt, Stockholm

16.30 Close of Conference

REGISTRATION INFORMATION: The fee for the conference is £495. This includes lunches, a cocktail reception and all conference documentation. Fees are payable in advance and will be refunded less a £50 cancellation fee for any cancellation received in writing on or before January 10, after which time we regret there can be no refund. However, substitutions can be made at any time.

We are offering a special rate of £295.00 for academics, government bodies and other non-profit making organizations. In addition special group rates are available upon request.

CONFERENCE LOCATION: The Regent Hotel, 155 Rajadamri Road, Bangkok 10330, Thailand. Tel: (662) 251 6127. Fax: (662) 253 9195. A limited number of rooms has been reserved for participants at a preferential rate. To reserve accommodation, please call the hotel.

CONFERENCE SPONSORS:

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REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Brenda Hagerty, International Herald Tribune, 63 Long Acre, London WC2, England. Tel (44 71) 836 4602 Fax: (44 71) 836 0717.

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ACROSS

1 Oh, to Hansel
4 Ages
7 "—— d'Arthur"
14 Easily fractured
16 Pig out
17 Sad name
18 Heavenly name
19 Spanish explorer
20 Stings
22 Metz mothers
23 Mel of baseball
24 Kind of sch.
28 Damascus is its cap.
29 Dixie dish
31 Ma's instrument
32 Caravansary
34 Hajj pilgrim
35 Nigerian city
38 Toothy wheel
40 Copy
41 Officer Gannon's friend
43 Raised a check
45 Seconds
46 Fountain or Rose
47 "—— Got a Secret"
50 Harvest
51 Letters at LAX
52 City WNW of Madrid
54 Dillon portrayer
57 Granular snows
58 Divine name
61 Aristocratic name
63 They ring twice
64 Echo
65 Fez features
66 Twitch
67 Austral. state

DOWN

1 Body cav.
2 "Macbeth" has three
3 Merry name
4 Brest beings
5 Musical Bull
6 Suffix for blessed
7 Settle
8 Turn outward
9 Fuse
10 Electra's brother
11 Legal matter
12 Make picots
13 Gallic season
15 Carriers
21 Names
25 A Fitzgerald
26 Type of joint
27 "—— Alone"
29 Beg
30 Kind of meal
31 Like a kitten
33 Time spans
34 Apportion
35 From a distance
36 White cheese
37 Verdi opera
39 S.R.O. show
42 Withdraws
44 Amuse
46 Primps
48 Lively name
49 Chooses
51 Photographer Adams
52 Dido
53 Crooked
55 Winter apple
56 Friend of polish
58 Suited to
59 Kiwi relative
60 Secretarial deg.
62 "—— Blue?"

Solution to Puzzle of Jan. 6

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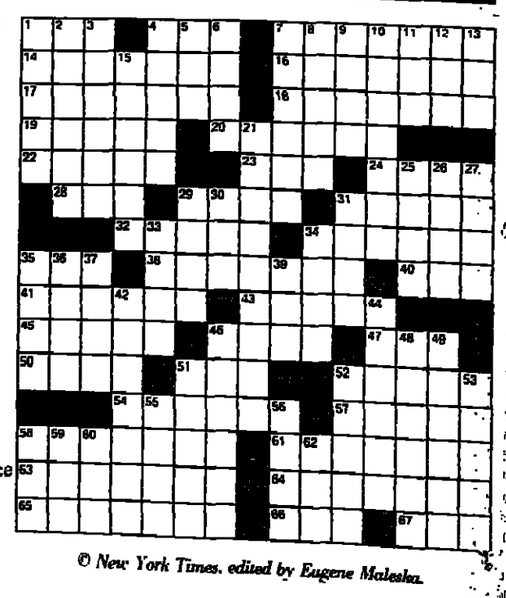

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هكذا من الأصل

Dresden Dairy Will Be East's First Stock Float

Reuters

FRANKFURT — A Dresden dairy will make history on Tuesday when it becomes the first former East German company to be listed on German stock exchanges.

But the plunge into capitalism by Sachsenmilch, the dairy, will not cause a stampede to the stock market by other companies once run by communists. Analysts say it could take at least five years before more than a handful of East German companies are ready.

Earlier optimism that East German companies could be brought quickly to the stock markets has withered, due in part to the collapse of business demand from Eastern Europe and to lingering disputes about property ownership in Eastern Germany.

"It will take a long time before any more East German firms will be able to reach the stock market," said Kilian Krieger, senior manager at Price Waterhouse Corporate Finance in Berlin. "The East European markets they depended on have totally broken down and most East German companies have absolutely no control over their costs."

Sachsenmilch, a subsidiary of Südmilch AG of Stuttgart, is floating shares to raise its nominal capital by 45 million Deutsche marks ($29.2 million) to 75 million DM.

At 80 DM a share, the offer will give the dairy 60 million DM of fresh capital.

After the increase, 49 percent of Sachsenmilch will be traded, with the remaining shares held by Sachsenmilch Beteiligungs AG, jointly owned by Südmilch AG and Saxon milk producers.

Sachsenmilch, with a staff of about 450, expects sales to rise from 296 million DM in 1992 to about 525 million DM by 1995. The company expects to post a profit of more than 10 million DM by 1995, when it projects its first dividend will be paid.

Unlike most of the 5,000 Eastern German companies the Treuhand agency has privatized, Sachsenmilch has a number of advantages that made its entry onto the stock exchange comparatively easy, analysts said.

Ample capital and know-how was injected from Südmilch, the company is using modern equipment, and, as Mr. Krieger said: "They are dealing with milk, a very simple product for which there is large and steady demand."

Peter Pietsch, an economist at Commerzbank, believes that "Sachsenmilch will be the first and the last for quite a while."

But Jörg Walter, general manager of the Berlin stock exchange, said there could be one or two more Eastern German companies listed in 1992 and perhaps as many as 100 within 10 years.

Redland and Steetley Intensify Fight, Trading Charges of Bad Faith

Reuters

LONDON — The takeover battle between two leading companies in Britain's crisis-hit building-materials industry intensified on Monday after they accused each other of acting in bad faith and against the interests of shareholders.

Redland PLC, which in November made a £585 million ($1.1 billion) bid for its rival Steetley PLC, accused Steetley of making unfairly selective use of statistics and failing to answer key questions in its bid response.

In a defense document published over the weekend, Steetley urged shareholders to reject Redland's offer of 85 Redland shares for every 100 Steetley shares.

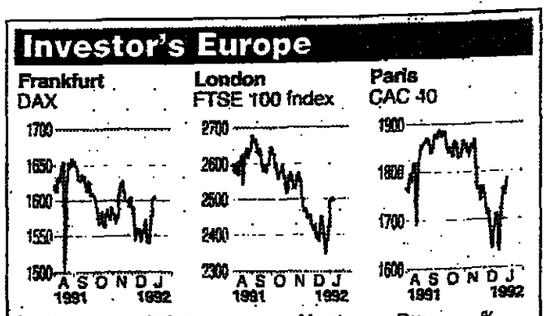
Pledging to maintain its net dividend for 1991 at 14 pence per share despite an expected sharp drop in profit, Steetley said shareholders should put their trust in a planned joint venture with another building-materials concern, Tarmac PLC.

Steetley accused Redland of rushing out the bid in an attempt to thwart the Tarmac deal.

"The board of Steetley believes that Redland was driven to this hasty spoiling tactic as much by a well-founded fear of the competition in building products that the joint venture would pose as by a desire to own Steetley," it said.

Redland, meanwhile, pounced on Steetley's admission that its pre-tax profit for 1991 would slide to £32.5 million, from £85.2 million in 1990.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	113.60	113.50	+0.09
Brussels	Stock Index	5,527.68	5,527.49	+0.00
Frankfurt	DAX	1,603.32	1,603.62	-0.02
Frankfurt	FAZ	652.60	653.19	-0.09
Helsinki	HEX	Closed	782.10	-
London	Financial Times 30	1,906.50	1,901.40	+0.27
London	FTSE 100	2,493.20	2,504.10	-0.44
Madrid	General Index	Closed	243.65	-
Milan	MIB	Closed	1,003.00	-
Paris	CAC 40	1,787.57	1,770.30	+0.98
Stockholm	Affarsvarlden	Closed	865.30	-
Vienna	Stock Index	Closed	420.80	-
Zurich	SBS	607.20	605.40	+0.30

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- **Statoil A/S** is buying an extra 15 percent of the Frigg North Sea gas field from **Elf Aquitaine Norge A/S**, raising its stake to 20 percent and lowering that of Elf, the operator, to 26.4 percent.
- **British Gas PLC** broke off talks on buying Norwegian North Sea gas on grounds that it was too expensive, **Statoil** said.
- **GIB Group** sold its 50 percent stake in the **Pizza Hut** franchisees in Belgium and the Netherlands — Pizza Belgium SA and Global Restaurants BV — to **Whitbread PLC**, which already holds the other half.
- **Turkey**, with foreign debt of $45 billion, plans foreign borrowing of $1 billion in 1992 and will have debt-service payments of $7.6 billion.
- **Siberia's** oil production fell 14 percent in 1991 to 305 million tons and is expected to drop to 260 million tons this year, Soviet media reported.
- **Westdeutsche Landesbank Girozentrale** has bought the 40 percent it did not own in **Deutsche Industrie- & Handelsbank AG**, which has branches in the five Eastern German states, from **Deutsche Aussenhandelsbank AG**.
- **Britain's** new car sales for 1991 are estimated at just under 1.6 million units, a fall of around 20 percent from 1990.
- **Codan A/S**, a Danish insurance company, offered to buy all the stock of **Forenede Forsikring** for 200 Norwegian kroner a share, valuing the Norwegian insurer at 814.4 million kroner ($135.2 million).
- **McDonnell Douglas Corp.** will offer **Rolls-Royce PLC's** Tay 670 engine in its MD-95 airliner.

Reuters, AP, AFX, AFP

Wage Rises Moderate In Britain

United Press International

LONDON — British manufacturing wage settlements have fallen to their lowest point in four years, the influential business leader's group, the Confederation of British Industry, said Monday.

The findings of the CBI's manufacturing pay survey supported the government's claim that economic recovery would come in 1992.

John Banham, director general of the CBI, said, "With productivity in U.K. manufacturing industry rising and pay settlements now below the level of those in West Germany and closing on those in France, the outlook for the competitiveness of British businesses, for inflation — and in the longer term for interest rates — is good."

Pay increases in the third quarter of 1991 fell to an average 5.4 percent, from 6.3 percent in the previous quarter.

A year earlier, in the third quarter of 1990, the average wage increase given by manufacturers was 8.8 percent.

The confederation's report backs claims made by Chancellor of the Exchequer Norman Lamont over the weekend that the government is winning its fight against the recession and that recovery will take hold this year.

Parretti Asks Italy For House Arrest

The Associated Press

SIRACUSA, Sicily — A court will consider on Friday a motion by the financier Giancarlo Parretti to be released from jail and placed under house arrest.

Mr. Parretti, who recently lost control of MGM-Pathe Communications Co., was arrested Dec. 27 and jailed on charges of illegally transferring money out of the country, tax evasion and criminal association.

Mercedes to Get A Majority in Avia Venture

Compiled by Our Staff From Dispatches

PRAGUE — Mercedes-Benz AG is to invest about 450 million Deutsche marks ($300 million) in a joint venture with the Czechoslovak truckmaker Avia, under an agreement in principle signed Monday.

Mercedes-Benz would at first hold 31 percent. It is to invest 350 million DM during the first three years, earning a majority holding before 1994.

Mercedes would invest a further 100 million DM before 1998 under the agreement, which must be approved by the Czechoslovak government.

Avia chose Mercedes as its partner over Renault Véhicules Industriels.

Avia, based in a Prague suburb, made 10,000 trucks last year. The venture will produce two Mercedes van models, the MB 100 and MB 180, from early 1993. Annual production is expected to reach 30,000 vans. *(AFP, Reuters)*

Poland Aims to Boost Privatization

Reuters

WARSAW — Poland's new government said Monday that it intended to overhaul the ownership status of state industry in order to speed up its privatization program.

The acting privatization minister, Tomasz Gruszecki, told reporters the overhaul could take six months but privatization would not be held up in the meantime.

"It is one big jungle and it is impossible to speed up privatization without a basic clean-up of the ownership problem," Mr. Gruszecki said.

"Certainly the government of Jan Olszewski wants to privatize quickly," he said, referring to the new prime minister. "But in order to move fast we want to put the ownership structure in order."

Mr. Gruszecki said Poland's former Communist governments had blurred ownership rights, making it very hard to establish exactly who held the legal rights to an enterprise.

He said all state enterprises would be put under the legal control of one quasi-government holding organization, which would be able to negotiate their sale.

The existing industry, foreign trade and privatization ministries would be combined under one umbrella ministry that will deal with broad policy issues rather than day-to-day negotiations.

Mr. Olszewski has said that such an overhaul would involve a temporary slowdown in the privatization process.

But Mr. Gruszecki said the existing procedures, put in place by the previous government of Jan Krzysztof Bielecki, would be continued until new measures had been approved by parliament.

"We definitely do not want to stop privatization," he said.

Mr. Olszewski assembled a weak coalition cabinet from the deeply divided parliament two weeks ago. He says his government needs two months to draw up a detailed economic plan.

SINGLE: *One European Market but Many Consumers*

(Continued from first finance page)

tion could make it easier for companies to forgo passing their cost savings along to the consumer in the form of price cuts.

In the insurance industry, competition across borders in Europe has already forced cuts in the price of commercial insurance. Curiously, however, this price-cutting battle may not ultimately be won by the most efficient players. "The insurance companies in the best position to succeed are those with the strongest capital positions like the Swiss and the Germans who have had the most closed and protected markets," said Mr. Coombes of Price Waterhouse.

Even if it were a case of survival of the fittest, many governments are not eager to see their companies sacrificed on the altar of economic efficiency.

For the consumers' part, they are not always eager to embrace the new product standards that they will have to cope with.

GM: *The Restructuring Plan 'That Means Nothing'*

(Continued from page 1)

the time needed by its competitors."

According to an internal report done by GM's Chevrolet-Pontiac-GM of Canada Group, GM's most efficient plant requires 30 man-hours per vehicle, compared with 18 man-hours per vehicle at Ford Motor Co.'s most efficient plant.

"Until GM does something to eliminate those differences, it hasn't addressed the problem," said another source who has worked closely with GM's top management. "It has thrown together something slapdash. It simply means that they will have to announce more plant closings in a few years."

The catalyst for the crisis, sources said, was the mid-November announcements by four major bond-rating services, including Standard & Poor's Corp. and Moody's Investors Service Inc., that they were considering reducing GM's credit rating. That was a potentially damaging blow for a company that had poured nearly $90 billion into capital projects over the past decade, with much of that money coming from borrowed funds. Lower credit means hundreds of millions of dollars more a year in debt service costs.

Wall Street, which had backed GM while its market share declined and its profits dwindled in the late 1980s, was belatedly becoming concerned. GM, at that point, had lost $2.7 billion for the year and was looking at a possible loss of nearly $500 million for the fourth quarter of 1991.

But according to sources familiar with the company and the internal debate, Mr. Stempel and other GM officials were shocked by the action of the bond-rating services.

"Some sources said that Mr. Stempel may have been taken by surprise because from the start of his tenure as chairman, he had been hailed as a hero on Wall Street for announcing plans to close four GM assembly plants and several other facilities in the United States and to scrap 15,000 jobs by 1993.

Industry analysts on Wall Street saw that action as decisive. Also, after having attended previews of GM's future products, many car analysts were convinced that the automaker was prepared to face its rivals with high-quality products.

But as GM's sales and earnings slumped in the recession, all bets that the automaker could return to profitability were put off.

Sources declined to identify the outside directors who were pushing the management committee to take action. Six of the 17 directors, including Mr. Stempel and President Lloyd E. Reuss, are current or former senior GM managers.

According to sources, some of the outside directors, after the rating services' actions, met several times with Mr. Stempel and members of the management committee, suggesting that drastic steps be taken to demonstrate to Wall Street and to GM's union-represented workers that it was willing to cut widely and deeply into GM's corporate structure to reduce costs.

Board members asked tough questions about the cost-cutting proposals, such as the suggestion that executive pay be trimmed. Sources said that was ruled out because it was felt that such action would prevent GM from attracting the best qualified executives in the future. The sources noted that GM managers had already been advised that, for the second year in a row, they would get no annual bonuses.

The bonus freeze did not affect the 119 top GM executives, 98 of whom currently receive more compensation in retirement than they did while employed under a special bonus program approved by the same board several years ago.

The idea of dropping a car division, even a money-losing operation such as Oldsmobile, was regarded as unachievable and shortsighted, GM sources said. Eliminating Oldsmobile meant hurting the livelihoods of 3,000 GM dealers, and scrapping hundreds of millions of dollars invested in promotional efforts.

D. Quinn Mills of the Harvard Business School, who is a consultant to many major corporations, suggested that the latest round of GM cuts reflects a defeatist attitude. "In a sense the company is liquidating itself," he said. "It's giving up market share and laying off people in an attempt to be profitable at lower market-share levels."

Given the apparent inability of GM management to stem the company's losses, Mr. Mills questioned the company's long-term survival in the North American auto market, noting that GM has been losing about 5 percent of its market share every seven years.

Ironically, Mr. Mills argues, "to a very substantial degree GM has been managed over decades in the way Wall Street would want a company managed. Financial officers at the top, responsive to shareholders, and an adversarial, arm's-length relationship with its employees. The fact that GM is declining is a very interesting commentary on Wall Street."

KOREA: *A Business View*

(Continued from first finance page)

USX entered into a "strategic alliance" with Pohang to modernize the plant, which finishes steel coils shipped from Pohang's mills in South Korea, Mr. Chung said.

"We complemented each other's weaknesses and and answered each other's strengths to bring into fruition very solid business results," said Mr. Chung.

When Mr. Bush gave the American executives a chance to have their say, Maurice R. Greenberg jumped in with complaints of Korean restriction on his company, the insurer American International Group Inc.

James D. Robinson 3d, head of American Express Corp., agreed.

"Regulatory hurdles in Korea are far too extensive and far too limiting for us to be successful in our businesses and contribute as we do to overall growth and development of your economy," said Mr. Robinson.

The South Koreans were not quite as happy with those comments, telling the president that they operate in the same regulatory atmosphere that the Americans were complaining about.

Mr. Bush called the discussion "most informative and terribly helpful." He said he had wondered at first how the countries he visited would react to him bringing American executives with him.

He called the reaction good in Australia, Singapore and Korea.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada

Seagram

3rd Quar.	1992	1991
Revenue	1,800.	1,470.
Profit	193.00	169.00
Per Share	2.03	2.01
9 Months	1992	1991
Revenue	4,200.	4,200.
Profit	530.00	581.00
Per Share	5.60	6.16

Germany

Degussa

Year	1991	1990
Revenue	13,396.	13,930.
Pretax Net	199.00	318.00

Metallgesellschaft

Year	1991	1990
Revenue	21,180.	19,830.
Pretax Net	316.00	483.00

Japan

Fuji Photo Film

Year	1991	1990
Revenue	1,527	1,06 T
Profit	94,780.	90,280.
Per Share	183.95	176.20

T: trillion.

United States

A&P

3rd Quar.	1992	1991
Revenue	2,610.	2,610.
Net Inc.	3.92	32.10
Per Share	0.10	0.84
9 Months	1992	1991
Revenue	8,850.	8,600.
Net Inc.	54.60	119.40
Per Share	1.43	3.12

Full name of company is Great Atlantic and Pacific Tea.

Bersen Brunswig

1st Quar.	1992	1991
Revenue	1,300.	1,180.
Net Inc.	8.71	17.00
Per Share	0.22	0.39

1992 net includes provision for losses of $8 million. Per share results adjusted for 25% stock dividend in July.

ConAgra

2nd Quar.	1992	1991
Revenue	5,470.	5,300.
Net Inc.	111.70	152.20
Per Share	0.46	0.60

1st Half	1992	1991
Revenue	10,800.	10,150.
Net Inc.	186.40	158.30
Per Share	0.79	0.71

Per share results after preferred dividends.

Dean Foods

2nd Quar.	1992	1991
Revenue	551.30	554.80
Net Inc.	15.90	16.80
Per Share	0.39	0.41
1st Half	1992	1991
Revenue	1,085.	1,070.
Net Inc.	32.80	32.70
Per Share	0.81	0.80

Deere

4th Quar.	1991	1990
Revenue	1,900.	2,060.
Net Inc.	(a)81.50	74.50
Per Share	—	0.78
Year	1991	1990
Revenue	7,660.	7,880.
Net Inc.	(a)220.20	411.10
Per Share	—	5.42

a: loss. 1991 nets include charge of $120 million.

Federal Express

2nd Quar.	1992	1991
Revenue	1,040.	1,970.
Net Inc.	26.50	37.50
Per Share	0.49	0.71
1st Half	1992	1991
Revenue	3,770.	3,910.
Net Inc.	45.80	80.50
Per Share	0.81	1.51

Heinz (H.J.)

2nd Quar.	1992	1991
Revenue	1,590.	1,640.
Net Inc.	152.80	139.80
Per Share	0.46	0.52
1st Half	1992	1991
Revenue	3,090.	3,200.
Net Inc.	377.20	283.00
Per Share	1.41	1.06

1992 six-month net includes gain of $221.50 million.

Hormel (Geo. A.)

4th Quar.	1991	1990
Revenue	760.40	772.80
Net Inc.	34.40	34.30
Per Share	0.48	0.48
Year	1991	1990
Revenue	2,840.	2,680.
Net Inc.	86.40	77.10
Per Share	1.13	1.01

Humana

1st Quar.	1992	1991
Revenue	1,560.	1,330.
Net Inc.	76.00	75.80
Per Share	0.48	0.48

Per share results adjusted for 3-for-2 split.

Int'l Multifoods

3rd Quar.	1992	1991
Revenue	432.30	396.20
Net Inc.	15.40	14.80
Per Share	0.79	0.72
9 Months	1992	1991
Revenue	1,190.	1,130.
Net Inc.	30.70	34.20
Per Share	1.57	1.38

1991 nets include gain of $5.5 million and charge of $4.5 million.

Litton Industries

1st Quar.	1992	1991
Revenue	1,360.	1,200.
Net Inc.	41.50	39.60
Per Share	2.02	1.74

Macy (R.H.)

1st Quar.	1992	1991
Revenue	1,680.	1,550.
Net Loss	125.40	56.50

1991 net includes gain of $10.2 million.

National Medical Ent.

2nd Quar.	1992	1991
Revenue	1,020.	946.30
Oper Net	70.60	67.30
Oper Share	0.41	0.42
1st Half	1992	1991
Revenue	2,010.	1,840.
Oper Net	142.30	127.00
Oper Share	0.81	0.80

1992 nets include charges of $28.7 million and gains of $29.2 million.

Nat'l Semiconductor

2nd Quar.	1992	1991
Revenue	413.30	427.40
Net Inc.	3.90	3.50
Per Share	0.03	0.01
1st Half	1992	1991
Revenue	824.30	870.10
Net Loss	162.10	162.00

1991 six-month net includes charge of $149.30 million.

Navistar Int'l

4th Quar.	1991	1990
Revenue	817.00	971.00
Net Loss	67.00	7.00
Year	1991	1990
Revenue	3,460.	3,850.
Net Loss	165.00	11.00

Supermarkets General

3rd Quar.	1992	1991
Revenue	1,480.	1,480.
Net Loss	13.10	15.70
9 Months	1992	1991
Revenue	4,410.	4,690.
Net Loss	12.60	44.20

Walgreen

1st Quar.	1992	1991
Revenue	1,710.	1,540.
Net Inc.	35.50	32.10
Per Share	0.29	0.26

CS holding

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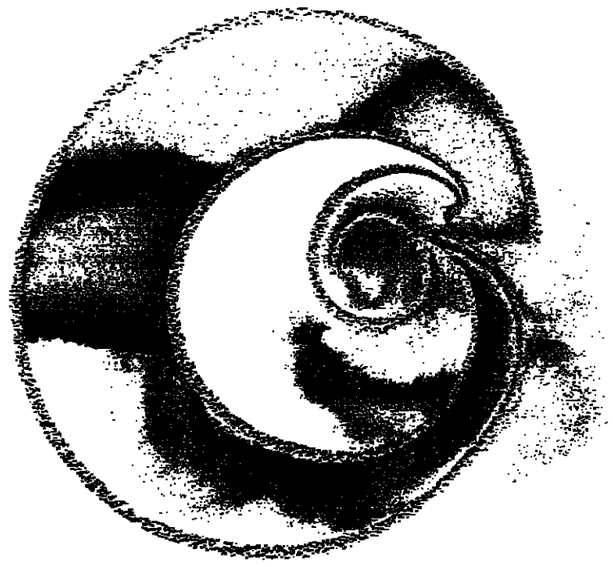

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AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High Low · Stock · Div · Yld · PE · Sls 100s · High · Low · 4 P.M. · Ch'ge

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Westco
WstEne n
WIRET
WichRO
Wick wt
Wicke pf
viWienr
WisP pf
WolfHB
Worthn
Xytron
Ziegler

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
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wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
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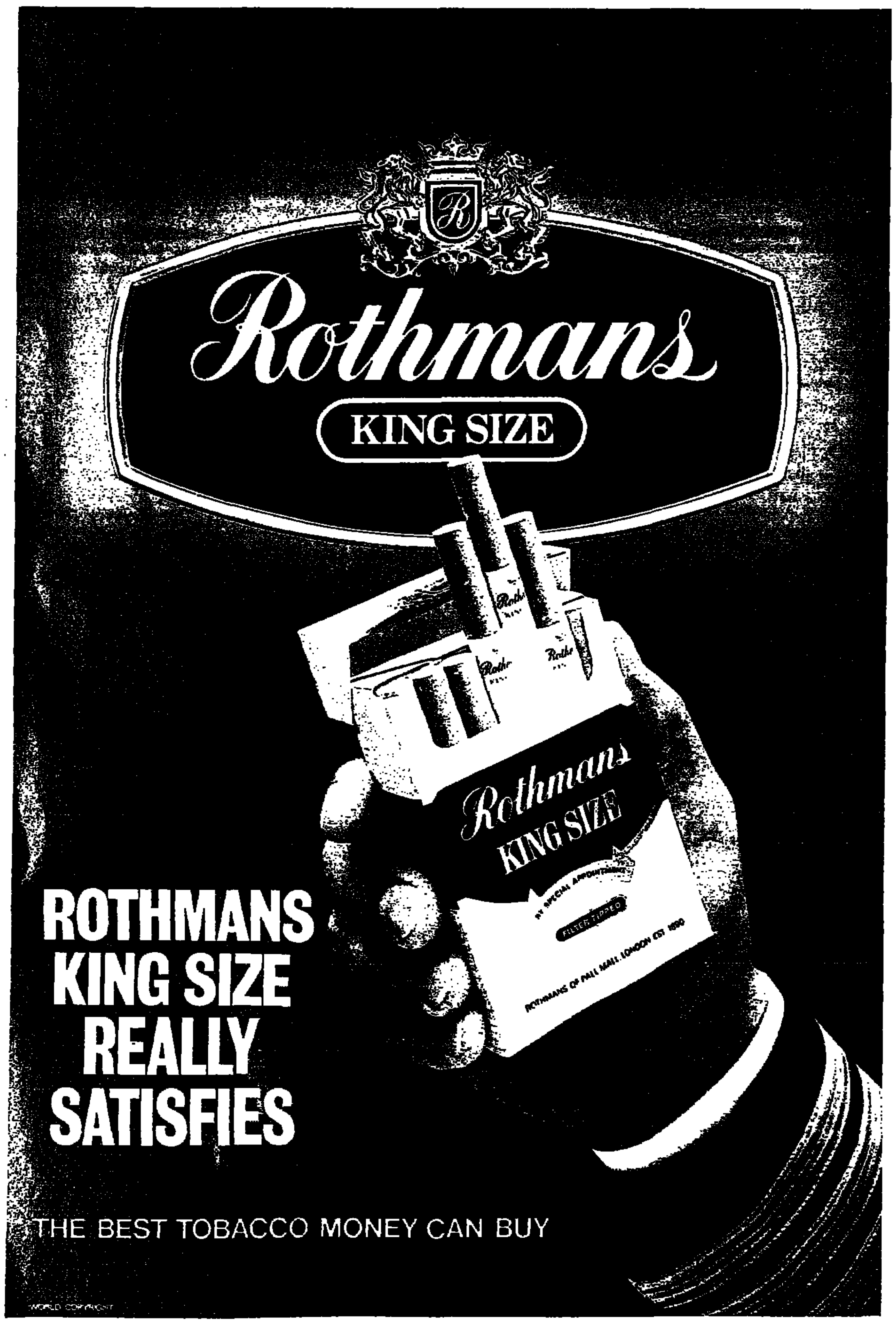

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هكذا من الأصل

Taipei Takes Brakes Off Its Dollar's Rise

Compiled by Our Staff From Dispatches

TAIPEI — The Taiwan dollar soared against the U.S. currency on Monday to close at its highest level for 32 months, after the central bank suddenly relaxed its grip on the island's foreign-exchange market.

The Taiwan dollar jumped nearly 24 cents to 25.5100 against the U.S. dollar, from Saturday's 25.7495 close, the largest single-day fluctuation in the market for 20 months.

The central bank had bought hundreds of millions of U.S. dollars in the market in the last few weeks to try to keep the Taiwan dollar from breaking the 25.75 level. The currency stood at 27.10 at the start of 1991.

Without warning Monday, the bank bowed to market forces and refrained from intervening in the last 15 minutes of trade. "Suddenly, the central bank wasn't there any more. Nobody wanted to buy U.S. dollars and the Taiwan dollar just soared," said the vice president of a foreign bank in Taipei.

Pressure for appreciation has been building because of Taiwan's huge trade surplus, which totaled $13.3 billion last year. But the rise of the Taiwan dollar has triggered protests by businessmen because it threatens to slow the export boom.

Many dealers said the central bank had become willing to allow further appreciation since the Nationalist Party won a landslide victory in general elections Dec. 21.

Another reason for the appreciation of the Taiwan dollar has been the wide gap between Taiwan interest rates and lower U.S. rates. The one-month interbank borrowing rate for the U.S. dollar stands at 4.5 percent, compared with 6.5 percent for the Taiwan currency.

"The central bank must decide what it wants — to maintain the rediscount rate or to stabilize the currency," said a trader.

The bank is expected to cut interest rates as early as this week, lowering its rediscount rate by 0.5 percentage point from the current 6.25 percent, but most dealers said pressure for appreciation of the Taiwan dollar would remain.

Norman Yin, banking professor at National Chengchi University, said the Taiwan dollar could rise as high as 24.50 later this year.

(Reuters, AP)

Failed Group's Investors Didn't Quite Lose All

Reuters

TAIPEI — Investors got back just 1.4 cents on the dollar Monday for the money they had put into Taiwan's second-largest underground bank, which collapsed in 1990.

A liquidation committee issued certificates worth 2,100 Taiwan dollars ($82) for every 150,000 dollars deposited in the Fortune Group, whose chairman was arrested in a government crackdown on underground banks.

Investment Fuels Malaysia Growth

But 8% Expansion Could Worsen Deficit and Inflation

Compiled by Our Staff From Dispatches

KUALA LUMPUR — A boom in foreign investment will keep Malaysia's economy growing at a strong 8 percent in 1992, but this growth could worsen the inflation rate and the balance-of-payments deficit.

Real, or inflation-adjusted growth in the gross domestic product for 1991 should reach 8.5 percent or higher, Prime Minister Mahathir bin Mohamad said Monday at a seminar organized by the Harvard Club of Malaysia.

Despite continuing uncertainty in the world economic environment, Mr. Mahathir said Malaysia's real GDP growth had accelerated to 8.8 percent in the third quarter of 1991 from 7.5 percent and 8.4 percent in the first and second quarters respectively.

The Malaysian economy has been on a strong upswing since 1987, buoyed in part by heavy investment. In the first nine months of 1991, the Malaysian Industrial Development Authority approved a total of $8.2 billion in new foreign-investment projects, almost matching the record of $10.2 billion approved for all of 1990, Mr. Mahathir said.

"This rapid pace of investment activity should sustain Malaysia through another year or two of reasonable economic growth, at the very least," he said. But he added that Malaysia faced inflationary pressures and a weaker balance-of-payments position.

The Consumer Price Index increased 4.4 percent in the first 10 months of 1991 compared with just over 3 percent in 1990.

Malaysia's current-account deficit is also expected to widen this year, to 13.6 billion ringgit ($5.01 billion), from 11.8 billion in 1991. The deficit this year will equal 9 percent of gross national product, Mr. Mahathir said.

But the prime minister said this level was manageable and not a major cause for alarm, noting the level was below the record of 14 percent set in 1982 and that the overall balance-of-payments position remained strong.

"Seen in this perspective, the problem of the current account deficit becomes less daunting," Mr. Mahathir told the business seminar.

"One should not be too alarmed by it at this stage," said Victor Lye, economist at Crosby Research Ltd. "It is a natural transition process."

(UPI, Reuters)

Drop in Japan's 1991 Car Sales First in 10 Years

Compiled by Our Staff From Dispatches

TOKYO — Falling consumer spending because of the slowing economy hurt Japan's vehicle sales in 1991, resulting in the first annual drop in 10 years, an industry organization announced Monday.

Sales, excluding mini vehicles, dropped 3.9 percent in 1991 from a year earlier to 5,744,948 units, the Japan Automobile Dealers Association said.

Of the 5.74 million vehicles sold, imported vehicles accounted for 199,920, down 10.7 percent from 1990, said a spokesman for the association, Michiro Saito. He attributed the first overall decline in sales since 1981 to Japan's economic slowdown, a new law to crack down on illegal parking and higher interest rates on auto loans.

Mr. Saito noted that the slowdown particularly affected foreign cars, seen in Japan as luxury items.

Hitoshi Nishiyama, analyst at Nomura Research Institute Co., said the decline also could be traced to "the after-effects of booming vehicle sales in the previous two years."

The decrease was mainly due to the drop in sales of cars with 2,000 cc engines and under, which plunged 12.4 percent in 1991, to 3,364,285 units.

But demand for cars of 2,001 cc and over was strong, partly because of a cut in taxes for cars of this size in April 1991.

Mr. Nishiyama said vehicle sales were likely to be almost flat or increase a little in calendar 1992.

Some industry analysts expect the economy to start recovering from the second quarter of 1992.

(Reuters, AP)

Capital Prospects Lift Thai Bank Stocks

Reuters

BANGKOK — Thai bank shares pursued their rise on Monday, with buying coming from investors who expected the government to allow the banks to revalue their property assets.

Major bank stocks have been rallying since Finance Minister Suthee Singhasaneh said in November that banks would soon be allowed to count as capital part of the unrealized capital gains from their equity and property holdings. Current rules call for balance sheets to show fixed assets at their original transaction values.

Bangkok Bank Ltd. rose to close at 502 baht ($19.80) on Monday, compared with 338 at the end of November. Thai Farmers Bank Ltd. rose to 466, from 342, and Bank of Ayudhya Ltd. to 434, from 326.

Bangkok Bank, which posted substantially higher profit in 1991 despite Thailand's slower economic growth, was the most actively traded stock on the Thai exchange in December.

"Major Thai banks have big upside potential," said an analyst at a British research and brokerage firm. "Bangkok Bank would still be reasonably priced at a p/e of 10, and Thai Farmers at 11 or 12." The banks carried price/earnings ratios of 6.15 and 7.34, respectively, on Monday.

Finance Ministry sources have estimated Thai banks would be able to add about 34 billion baht of appreciated property value to their book assets, treating it as second-tier capital, once capital-adequacy ratios of the Bank for International Settlements are adopted.

Rate Cut, Wall Street Lift Tokyo By 3.6%

Compiled by Our Staff From Dispatches

TOKYO — Tokyo share prices jumped 3.5 percent on Monday, the first trading day of the year, thanks to Wall Street's recent record highs and a half-percentage point cut in Japan's discount rate Dec. 30.

The 225-share Nikkei average closed up 817.41 points, or 3.56 percent, at 23,801.18. An estimated 180 million shares changed hands in the half-day session, up slightly from 175 million in last Monday's half-day session. Advancing issues outnumbered declines by a huge, 9-to-1 margin.

Other Asian markets, including Hong Kong, Taipei and Singapore, were also buoyed by Wall Street's strong performance.

Brokers attributed the sharp rise in Tokyo to Wall Street's record highs, December's discount-rate cut and the firm yen. President George Bush's visit to Japan, starting Tuesday, fueled speculation that Tokyo would take measures to stimulate its economy.

The broader first-section TOPIX index also rose, 48.75 points or 2.84 percent, to 23,801.18.

The Tokyo stock market had been closed since a half-day session last Monday. *(Reuters, AP)*

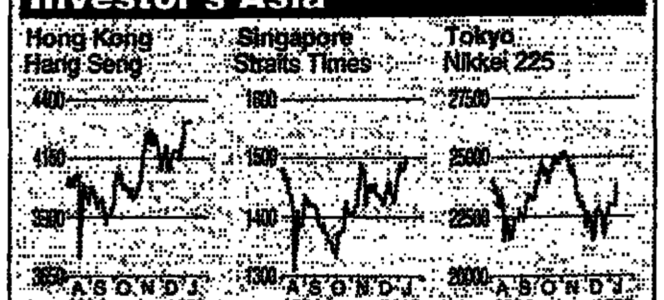
■ Seoul Fizzles

Seoul stocks, which surged last week as the market opened to direct foreign investment, hesitated in their ascent Monday, the first full trading day for 1992, Reuters reported from Seoul.

The composite index ended 0.21 lower at 650.10. Volume totaled 440 billion won ($579 million), up from 229 billion won during Saturday's half-day session.

Brokers attributed the reversal to profit-taking by South Korean investors and a scarcity of issues that are attractive, and available, to foreign investors.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,306.97	4,307.13	-0.00
Singapore	Straits Times	1,500.45	1,480.89	+1.32
Sydney	All Ordinaries	1,675.10	1,659.90	+0.92
Tokyo	Nikkei 225	23,801.18	22,983.77	+3.56
Kuala Lumpur	Composite	557.34	552.99	+0.79
Bangkok	SET	719.59	711.81	+1.08
Seoul	Composite Stock	650.10	650.31	-0.03
Taipei	Weighted Price	4,692.17	4,612.97	+1.72
Manila	Composite	1,231.24	1,221.16	+0.83
Jakarta	Stock Index	249.76	247.39	+0.96
New Zealand	NZSE-40	1,535.86	1,504.78	+2.07
Bombay	National Index	N.A.	923.90	-

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- **NEC Corp.** is negotiating a deal with **Control Data Corp.** of the United States that it hopes will expand its supercomputer sales abroad. NEC hopes the move will open foreign markets, including the United States, which has been particularly difficult for Japanese companies to crack.
- **Development Bank of Singapore** has forecast economic growth of 6 to 6.5 percent for Singapore this year, down slightly from 1991 due to weaker export demand and the tight labor supply here.
- **Japan's** foreign-exchange reserves rose to $68.98 billion at the end of December, up $1.04 billion from a month earlier, according to the Finance Ministry.
- **Philippine** inflation averaged 17.7 percent in 1991, but it is expected to level off at an average of 9.8 percent this year, said the central bank governor, Jose Cuisia.
- **Tourists arrivals in India** declined by almost 8 percent during 1991, which was designated Visit India Year. Newspapers cited recession, the assassination of Rajiv Gandhi and the Gulf war for the fall.
- **Telecom Co. of New Zealand** and its part-owner, **Bell Atlantic Corp.** of the United States, said they had bid to operate the telephone network of **New South Wales**. Other bidders include groups from Britain, Canada and New Zealand.
- **Mitsubishi Bank Ltd.** said it would cut the short-term prime lending rate by 0.625 of a percentage point to 6 percent a year, effective Friday.

Reuters, AP, AFP

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INTERNATIONAL FUNDS Jan. 6, 1992

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AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; ++ Paris exchange; +++ Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

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SPORTS

Mariners Turn Winners, but Seattle May Be Loser

By Timothy Egan
New York Times Service

SEATTLE — For the first time in their inglorious history, major league baseball's Seattle Mariners have a problem that has nothing to do with their performance on the field.

The club posted its first winning record last season after fielding an unmatched series of losers for 14 years in a row. In the process, it shattered all home attendance records, attracting more than 2 million fans — close to what the pennant-winning Atlanta Braves drew.

But the economics of major league baseball are such that Jeff Smulyan, the Indianapolis broadcasting executive who purchased the team in 1989, says he cannot make a profit with gate receipts alone. He asked Seattle to come up with more than $10 million a year to help cover the expense of operating the team — or else.

The else, he hinted, might be moving the team to the Tampa Bay area in Florida, where the Suncoast Dome sits empty in St. Petersburg without a major tenant, and the area's leaders, hungry for baseball, have assured Smulyan that a move would be profitable. Another possibility was bankruptcy; Smulyan, who owns Emmis Broadcasting, was given until February to pay a $39.5 million bank loan on the team.

But even as Seattle civic leaders were seeking money, Smulyan abruptly threw in the towel. In early December, he announced that the team was for sale, for $100 million, and that if a local owner did not come forth by March 27, he would be free to move the team or sell it to an outside owner. Seattle officials say he cannot do this, though, because of contracts he signed with the city.

At least nine other cities, from Houston to Pittsburgh to Chicago, have gone through a similar agony in the last five years, as player salaries have escalated and owners have held out the threat of moving in order to squeeze more money from civic coffers.

One simple statistic tells the story of modern baseball: The New York Mets recently signed Bobby Bonilla to a five-year contract that will pay him $29 million, an amount equal to the entire payroll of numerous other teams, many winners among them.

Smulyan's deadline has forced on Seattle a question that will become more common as professional baseball becomes the province of the very rich: What is a sport worth to a city? Beyond the economic benefit, to restaurants, T-shirt hawkers and hotels, is the sense of regional pride, Seattle officials say.

The Mariners may have been a pathetic bunch of losers for 14 of their 15 seasons, but they were losers whose every strikeout, wild pitch and managerial temper tantrum was followed by fans from the North Slope of Alaska to the Flathead Valley of Montana.

The most obvious potential buyer is William H. Gates 3d, the founder of Microsoft Inc., the world's largest software company, with headquarters in the Seattle suburb of Redmond. Based on his stock holdings alone, Gates has recently become one of the wealthiest men in America — worth more than $6 billion.

On radio talk shows and in letters to newspapers, fans have all but begged Gates to save the team. But Gates is not interested. He doesn't like baseball, says a spokesman, Martin Taucher.

Then, there are the inheritors of the money made by timber barons in the early part of the century, but none appears to be interested. Old money is not enough money in today's baseball market.

So, with the March 27 deadline looming, the group of Seattle leaders charged with trying to find a local owner recently approached the Japanese. Seattle and Japan have long shared Pacific Rim trading and cultural ties that have held strong even through the worst of recent criticism of Japan by U.S. political leaders.

But the thought of foreign ownership of an American team might be too much for baseball, the national pastime, to bear.

What will probably emerge, say the Seattle officials, is a combination of Japanese and Seattle investors, with the local investors controlling the franchise. But it is far from a done deal.

The alternative can be found in the other Washington, the nation's capital, which was the last city to lose its baseball team. In 1972, the Washington Senators moved to Texas. There are still enough mourners to fill a stadium.

Storms Turn Cup Racers To Rescued

Compiled by Our Staff From Dispatches

SAN DIEGO — Stormy weather turned what was to have been a day of practice racing for the America's Cup challenge yachts into a day of rescues.

In winds gusting to 30 knots, Italy's newest America's Cup challenger was battered at the entrance to San Diego Bay and nearly sunk Sunday by a series of 12-foot (3.5-meter) waves.

The French crew also had to give up any hope of racing when their tender boat abandoned them to rescue a fishing boat that suffered a broken rudder.

Barry Stevens, a photographer who witnessed the incident involving the Italian boat, said the Il Moro di Venezia V nearly sank at the mouth of San Diego Bay while under tow from the harbor to one of the America's Cup courses on the Pacific Ocean off Point Loma.

The mainsail was up and the Italian crew was preparing to hoist the jib when the tow line between the yacht and its tender went slack, causing the 75-foot sloop to turn sideways into the waves, Stevens said.

Water had started washing across the deck and into an open hatch when the carbon-fiber rudder snapped, sending the yacht spinning out of control. It made at least two 360-degree turns while crewmen started the bilge pumps and frantically bailed water by hand, Stevens said.

Four crewman used the yacht's spinnaker pole to steer from the waves into calmer waters, where the tow line was reattached and the sloop was returned to the syndicate's base camp on San Diego Bay.

"If they had gone another 150 yards into the ocean, they probably would have sunk," Stevens said. "It was 10 minutes of real drama."

A combination of winds between 20 and 25 knots and eight-foot seas apparently combined to break off the rudder, which floated to the surface during the ordeal and was retrieved by the crew of a nearby support boat.

The syndicate spokesman, Stefano Roberti, credited quick action by the crew with keeping the $5 million yacht afloat. It is the newest of the syndicate's five America's Cup Class boats.

A practice race among challengers had been canceled earlier Sunday because of rainy weather and winds between 20 and 30 miles an hour, but several teams tried to test their heavy-weather capabilities anyway.

The French went to the rescue of three people aboard a fishing boat that was in danger of foundering on the rocks below the Cabrillo lighthouse.

Pascal Appicella, the French tender's skipper, pulled the fishing boat out of trouble and a lifeguard boat towed it to safety.

(Reuters, AP)

■ New Zealand Impresses

Earlier, Barbara Lloyd of The New York Times reported from San Diego:

New Zealand's newest America's Cup yacht looks as if it could be a front-runner this winter in challengers' efforts to win the America's Cup, based on first impressions.

New Zealand's boat, the team's fourth and final yacht to be built for the 1992 cup trials, beat seven other America's Cup contenders in San Diego on Saturday in an informal fleet race off Point Loma. The official challengers' trials, which begin Jan. 25, are match races.

The red-hulled sailboat left seven of the 75-foot challenge yachts behind by at least three minutes at the finish. The race was called off at the fifth mark of the eight-legged, 22.6-mile course because of a fading breeze.

Peter Blake, campaign manager for New Zealand, conceded that the victory was good for his team's morale in the "first real sail" of the new boat. But he cautioned against reading too much into the results.

"Some of the boats got caught on the wrong side of the course and didn't do very well," said Blake. "Others, like us, were in the right place at the right time." The winds were unsteady, and at 3 to 5 knots, barely suitable for a sailboat race.

Spirit of Australia, a new yacht sailed by Iain Murray, and Ville de France, Marc Pajot's contender, led the way up the first leg of the fleet race. The three yachts hugged the left side of the course while most of the others stayed to the right.

In its construction stages, the New Zealand boat was rumored to be a breakthrough design. Its appearance above water looks radical with its open-ended stern and snub-nosed bow. Its underwater configuration has been a closely guarded secret, but the shape is thought to harbor twin keels, a combination never attempted before in America's Cup sailing.

■ Flying Dutchman Races

Brothers Thierry and Vincent Berger of France scored their second successive heat victory Monday for a commanding lead after five heats of the world Flying Dutchman class sailing championships, The Associated Press reported from Tauranga, New Zealand.

The New Zealand team of Murray Jones and Greg Knowles were in second; Spanish skipper Luis Doreste, third in Monday's heat, moved up to third overall.

Search Begun for 2d Yacht Missing For 8 Days in Japan-Guam Race

The Associated Press

TOKYO — Japan's coast guard said Monday it had begun searching for a seven-man yacht that hadn't been heard from in eight days, three days after it and nine other Japanese yachts set out on a race to Guam.

The 46-foot (14-meter) Taka last radioed its position Dec. 29, said an official of the Maritime Safety Agency, speaking on condition of anonymity.

On Dec. 30, another of the racers, the 40-foot Marine Marine, capsized in rough seas. Four of its crew members were found dead, four are still listed as missing.

The official said a plane reported no sign of the Taka after the race's sponsor, the Nippon Ocean Racing Club, requested a search Monday. The official said the Taka's last reported position was about 400 miles (644 kilometers) south of Tokyo in the Pacific Ocean. He said that was about 260 miles south of where the Marine Marine capsized.

The 1,334-mile Toyoko Cup race began Dec. 26 from Kowajiro, about 28 miles southwest of Tokyo.

An official of the club, who also spoke on condition of anonymity, said five yachts had reached Guam and that three, including the Marine Marine, had abandoned the race, with the Taka unaccounted for.

Yanks Sign Tartabull

The Associated Press

NEW YORK — The New York Yankees, who hadn't shown any interest in Danny Tartabull until last week, Monday reached agreement with him on a five-year free-agent contract believed to be worth $25.5 million.

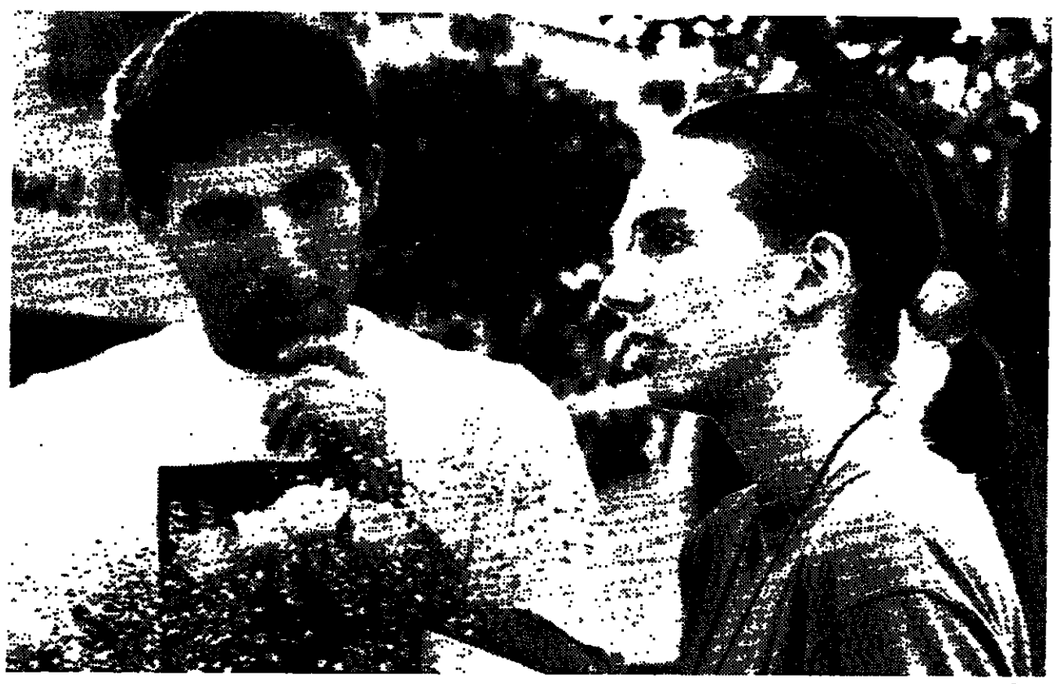
The Yankees said they had agreed in principle with the outfielder, 29, who last year batted .316 with 31 homers and 100 runs driven in for the Kansas City Royals.

"We got it done in a hurry," said the Yankees' general manager, Gene Michael. "We pressured them a bit. I stayed at it for four solid days."

Michael, prevented by the Yankees' ownership from pursuing other big-name free agents, such as Bobby Bonilla, said he was "surprised and happy I could go after him. The finances were not there before. I like spending money."

The Los Angeles Times reported that the deal includes a $1.5 million signing bonus and a clause guaranteeing Tartabull will earn an additional $1.5 million in endorsements. In 1992, he will make $5 million.

Incentives reportedly include an extra $150,000 for being the league's most valuable player, $50,000 for making the All-Star team and $50,000 for being the MVP in a postseason series.



Reuters

Pescosolido: Crime And Punishment **Italian tennis star Stefano Pescosolido, offering Nicole McPhail a bouquet of flowers after his racket, which he had kicked in anger during a match Monday in the New South Wales Open, flew off the court and inflicted a large cut above her right eye. Pescosolido said that "I feel very bad about it;" officials agreed he should, fining and ejecting him from the tournament in Sydney.**

CHESS

By Robert Byrne

MOST grandmasters prefer bishops to knights, but not 21-year-old Ukrainian grandmaster Vasily Ivanchuk. He wins with horsepower. In the World Cup tournament in Reykjavik, Iceland this autumn, Ivanchuk once again used short-stepping knights to triumph over bishops in this seventh-round game with his countryman, the grandmaster Valery Salov.

One of the main ideas of 6...Bd7 in the Richter-Rauzer Attack is that after 7 Qd2 Rc8 8 O-O-O Nd4 9 Qd4 Qa5 10 f4, Black can make a positionally effective sacrifice of rook for knight with 10...Rc3!? 11 bc e5 12 Qb4 Qb4 13 cb Ne4. But the move-order Ivanchuk chose with 8 f4 did not permit that: on 8...Nd4 9Qd4 Qa5 10 e5!, White obtains the upper hand after 10...Rc3 (10...de 11 fe e6 [11...Bc6? loses a piece to 12 b4!] 12 Bd2 Bc5 13 Qf4 Ng8 14 Ne4 is strong for White) 11 bc Ne4 12 Qe4! Qc3 13 Kf2 Qa1 14 Bb5! Qc3 (14...Qh1? 15 Qb7 f6 16 e6! forces mate) 15 Bd7 Kd7 16 Qb7 Qc7 17 Rb1 because Black must exchange queens and then go down into a pawn endgame.

Salov obtained two bishops for two knights with 11...Nb4 12 O-O Nd3 13 Qd3, but he was unwilling to accept Ivanchuk's gambit with 13...Qb6 14 Ne3 Qb2 in view of the strong initiative White gets with 15 Ncd5 Qb5 16 c4.

The strategy of the position after 17 f5 is for White to prepare pressure against the doubled f pawns. If he can ever force...e5, a knight will take over d5 and the game, but if Black can somehow break the center open for his bishops, White would be done for. Apart from the pawn structure, the uncomfortable position of the black king was a drawback.

On 29 Nc2, the penalty for 29...Qc4 would have been 30 Qc4 bc 31 Nd4 Bc8 32 Nf4 Bf8 33 Rc7 Kc7 34 Nh5.

Salov was holding on tenaciously with 30...Bd8, but Ivanchuk came after the weak e6 pawn just as tenaciously with 31 Nf4!, the point being that 31...Rg7 32 Nde6 Qe5 33 Ng7 Rg8 (33...Be4? 34 Qh3) 34 Nf5 Bc7 35 Nd5 wins a pawn and puts the knights into the best squares on the board.

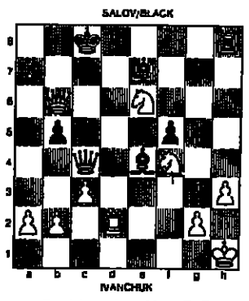
On 33 Qh3, Salov should have played 33...Be4 34 Nfe6 Kb7 35 Nd8 Rd8 36 Qe6 Qe6 37 Ne6 Rg8 38 Nf4 h4 with a tenable endgame.

Very likely in time-pressure after 37 h3, he missed a chance for counterpressure with 37...Bb6! Instead, his 37...f5? gave Ivanchuk time to play 38 Qd7, threatening favorable simplification with 39 Nc6.

Ivanchuk's accurately calculated knight fork, 45 Ng6!, crushed all resistance. Thus, 45...Rh3 46 Kg1 still leaves two black pieces en prise, and worse yet, 47 Ne7 would be mate.

So Salov, with nothing more to lose, gambled for a perpetual check with 45...Qf1 46 Kh2 Rh3, but Ivanchuk was not to be hoodwinked into 47 gh? Qh1 48 Kg3 Qf3 and so on.

After 50 Kg3 Bh4 (50...Qg6 51 Kf2 Bh4 52 Kf1 Bg3 53 Rd2 is no better) 51 Kf4, Salov could not think up any more tricks and gave up.



Position after 44 . . . Be7

SICILIAN DEFENSE

White Ivanchuk	Black Salov	White Ivanchuk	Black Salov
1 e4	c5	26 fe	fe
2 Nf3	Nc6	27 Rg7	Rb7
3 d4	cd	28 Ng6	Re8
4 Nd4	Nf6	29 Ne2	Kc8
5 Nc3	d6	30 Nd4	Bd8
6 Bg5	Bd7	31 Nf4	Qe5
7 Qd2	Rc8	32 Rc7	Kc7
8 f4	h6	33 Qh3	Kb6
9 Bf6	gf6	34 Qh5	Rg8
10 Nf5	Qe5	35 Qf7	Rh8
11 Bd3	Nb4	36 Qe8	Be4
12 O-O	Nd3	37 h3	f5
13 Qd3	Qc5	38 Qd7	Qc5
14 Kh1	e6	39 Nde6	Qc4
15 Ne3	f5	40 Qe8	Ka8
16 Rad1	Be7	41 Rf2	Bh4
17 f6	Kd8	42 Qe8	Kb8
18 Rf3	b5	43 Qb6	Kc8
19 Ne2	Qc5	44 Rd2	Be7
20 Nd4	a6	45 Ng6	Qf1
21 Rg3	Bf8	46 Kh2	Rh3
22 c3	Re7	47 Kh3	Bg2
23 Rf1	Qc6	48 Rg2	Qf3
24 Nf3	Qc5	49 Kh2	Qf6
25 Nh4	Be7	50 Kg3	Bh4
		51 Kf4	Resigns

BOOKS

INCIDENT AT AKABAL

By Joanne Omang. 313 pages. $19.95. Houghton Mifflin Co., One Beacon Street, Boston, Mass. 02108.

Reviewed by James Polk

IN the mid-'80s, as a Central American correspondent for The Washington Post, Joanne Omang heard of a peculiar confrontation between government troops and the inhabitants of an isolated Indian village in the backlands of Guatemala. She pursued the story for her paper as far as she could — until it erupted into a Rashomon-like cloud of conflicting versions. Unable to go any further as a reporter, Omang turned the information over to her imagination.

The result is a novelist's vision informed by a journalist's eye. "Incident at Akabal," set in a generic Central American country, is full of the violence and anguish of a society up for grabs.

Miguel Angel Kanal, a young Indian from Akabal who is secretly under the spell of the radical Guerrilla Army of the Poor and of its charismatic leader Nahual, is filled with cloudy visions of justice and freedom. He bombs an army barracks, killing several soldiers and triggering more than he bargained for.

Unfortunately for him, Miguel is spotted as he flees. From the ruins of the army post, an elite force under the command of the jaded Lieutenant Gomez is swiftly dispatched in pursuit, and after tracking their quarry over mountains paths and through villages, arrives in the dusty hills overlooking Akabal. The soldiers, given Miguel's name by an informer, present Akabal with an ultimatum: turn him over by dawn tomorrow, or face the consequences. What consequences? The town quickly becomes awash in speculation.

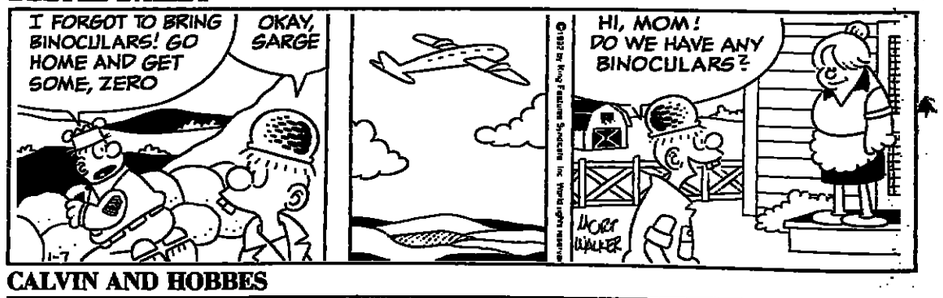
As the arguments swirl, we meet the citizens of Akabal and see snippets of its past. The village these disparate types inhabit and to which Gomez and his soldiers have come, like so many similar places in strife-torn regions around the world, owes its survival to its unimportance. It is a place where people struggle to get through the day, with neither the time or the inclination to be swept up by the passions of passing causes. The Indians who live there are exploited as migrants by plantation owners on the coast, work whatever odd jobs they can scrounge, worship their various gods (accumulated from various faiths) and are of necessity much more interested in issues of survival than in issues of justice.

Omang's portrait of Central American Indian culture, where descendants of the Spanish are still looked on as recent interlopers and where the accommodating Mayan deities readily share their spiritual duties with the more rigorous Christian one, is exceptional. But more than that, "Incident at Akabal" is a fine and complex account of people desperately trying for a middle road between absolutes where no such path exists, accidentally thrust into the front lines of a fight they want no part of, for no matter who wins, everyone knows that nothing much will change.

James Polk, who writes frequently about contemporary fiction, wrote this for The Washington Post.

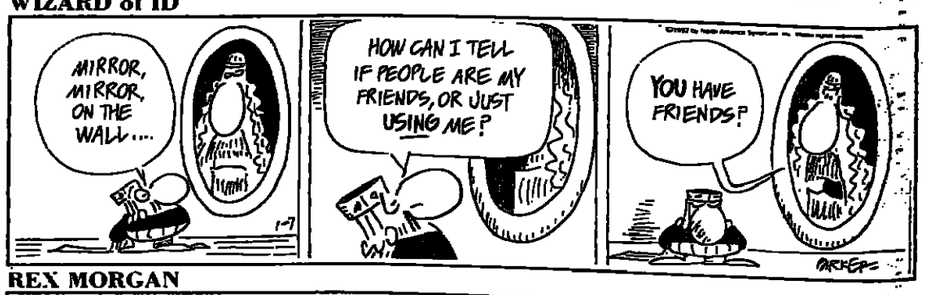
PEANUTS

BEETLE BAILEY



CALVIN AND HOBBES

WIZARD of ID



REX MORGAN

GARFIELD

DOONESBURY

DENNIS THE MENACE

"AND WHEN MY ARMS GROW LONGER I CAN GIVE YOU A BIG BEAR HUG!"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SOYUM

USSOE

GRUFIE

NOYCOT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

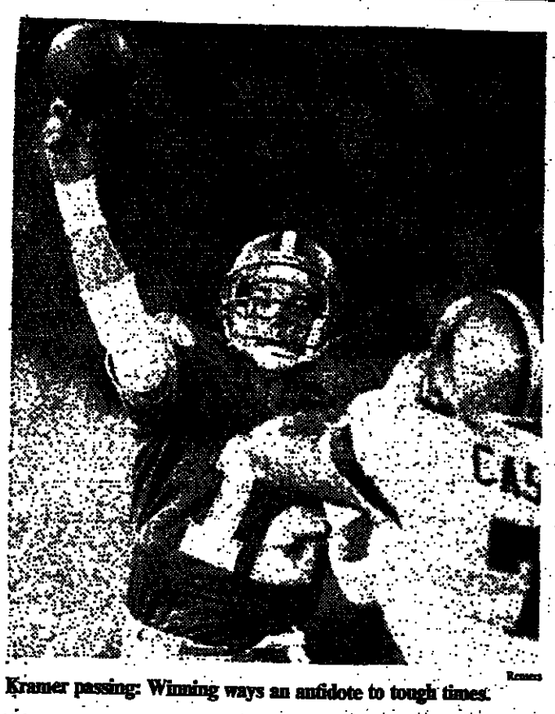
Print answer here: IN ____ OF ____

(Answers tomorrow)

Yesterday's Jumbles: ROBOT PRUNE SYSTEM MUFFIN
Answer: You can impress people favorably by letting them do the—IMPRESS YOU

هكذا من الأصل

SPORTS



Kramer passing: Winning ways an antidote to tough times. Reuters

In Kramer, Union Detroit Finds a Scab It Can Love

By Ira Berkow
New York Times Service

PONTIAC, Michigan — On his way here, driving his van on Interstate 75, Ted Wagner shook his head when he saw a man holding up a sign at an exit. "Willing to work for food," the sign read.

Lately, Wagner has not been sitting in the lap of luxury, either. His job on a Ford Escort assembly line in Detroit, where he places weather stripping on 78 cars in an hour — "You move so fast it's like dancing" — has been reduced to one week a month.

"And just before Christmas, you'd see people holding up signs, 'Willing to work for toys,'" he said. "Times are tough around here, as tough as most people can remember. So that's why a lot of us overlook it that Erik Kramer was a scab. He's our quarterback, and it's the Lions. We're rooting for him."

"Maybe at first you thought about it," said Dennis Clark, a short-order cook. "But Kramer's taken us a long way."

"That's about it," agreed Faye Plovie, a waitress.

Kramer is the improbable quarterback for the Lions, who beat the Dallas Cowboys, 38-6, in Pontiac on Sunday in a National Football Conference playoff game in the Silverdome.

It was the first playoff game that Detroit had been host for since 1957 — when it beat Cleveland to win its last NFL championship — and it was the Lions' first playoff game since 1983.

And Kramer, who got his start in the National Football League with Atlanta as a nonunion "replacement" player during the strike-interrupted 1987 season, was calling the signals and throwing the passes. The Lions were hot going into the game, and so was he, and Detroit was jubilant.

Sunday, Detroit's fans again cheered him loudly as he passed for 341 yards and three touchdowns and moved the Lions into a National Conference showdown with Washington.

Motown, from the Motor City, is a long-time blue-collar — or, as they call it here, "lunch-bucket" — section of the country and dependent, of course, on one particular industry, automobiles, which is reeling. In a depressed national economy, cars have been as hard hit as any product.

"The recession is bad enough," Joe H. Stroud wrote in an editorial in Sunday's Detroit Free Press, "but the city has longer-term and less cyclical problems: a police department troubled by scandal; a housing crisis created by an incredible series of leadership defaults; a tension between the races and between city and suburbs that is debilitating; a school system that has got better but still struggles against awesome problems."

To readers here, it was not necessary to add: the homicides, the homeless, the heartbroken. In this area, sports has often been a great rallying point, the entertainment that diverts the masses from their misery. And while the basketball Pistons and the baseball Tigers have won, the Lions in the last 30 years and more have run into walls, and each other, too.

Suddenly, this season, things began to change. It appeared less than auspicious, however, when, in their eighth game, the Lions' first-string quarterback, Rodney Peete, tore an Achilles' tendon on the first series of plays and was lost for the rest of the season.

The Lions had two substitute quarterbacks: Andre Ware, a second-year player who had not impressed many, and Kramer, who had played three games in the strike season, then had spent two seasons in the Canadian Football League before being signed by Detroit, then had spent most of the 1990 season on the Lions' injured reserve list, and then at this time last year had been out of a job.

But it was Kramer who the coach, Wayne Fontes, called on to replace Peete. Kramer, the man who once played in something called the Potato Bowl for Pierce (California) Junior College, who after two years at Pierce played for North Carolina State and wasn't drafted by the NFL after his senior year, in 1986.

Against Dallas in his first appearance for the Lions, Kramer responded handsomely. He threw two touchdown passes and the Lions won, 34-10. He went on to play a large role as Detroit won six of its next eight games and finished the regular season at 12-4.

"He's won some games for us," Fontes said of Kramer. "He's made the big play."

Kramer has demonstrated resilience and poise and skill this season — his teammates call him Brass for his coolness under pressure — and in a curious way he seems to personify aspects of the Detroit area.

"Detroit has long seen itself as a town too tough to die," wrote editorialist Stroud, "and too resilient ever to be defeatist."

At the same time, nobody, even in Detroit, thinks of Kramer in the class of Elway or Marino or Kelly. Or Samuel Gompers.

"The last time I heard of Erik Kramer, he was the scab quarterback in Atlanta," Tony Casillas, a defensive tackle for the Cowboys, said before the game. Casillas was one of the players who walked the 1987 picket line that Kramer crossed daily. "When we went up to Detroit earlier this season, I couldn't believe it was the same guy," Casillas said. "And from what I hear, he seems like he's getting a little cocky."

And Cowboy linebacker Jack Del Rio said: "It's amazing to me that a pro-union town like Detroit would get behind a quarterback that crossed the picket line and played for a scab team. I would think they'd resent that."

In the end, Casillas was wrong. And so was Del Rio. Kramer beat the Cowboys and the cheers were loud.

Ted Wagner shrugged when asked about it. "Right now," said the part-time assembly-line worker, "we're hoping for two things here. We want the Lions to win and for George Bush and the Big Three" — representatives of General Motors, Ford and Chrysler — "to come back from Japan with good news about trade barriers. If that happens, there will be such a warm glow around here, you'll see flowers growing in February."

NFL Playoff Picture

First-Round Games

AFC

- KANSAS CITY CHIEFS 10, L.A. RAIDERS 6.
- HOUSTON OILERS 17, NEW YORK JETS 10.

NFC

- ATLANTA FALCONS 27, NEW ORLEANS SAINTS 20.
- DALLAS COWBOYS 17, CHICAGO BEARS 13.

Second-Round Games

AFC

- DENVER BRONCOS 26, HOUSTON OILERS 24.
- BUFFALO BILLS 37, KANSAS CITY CHIEFS 14.

NFC

- WASHINGTON REDSKINS 24, ATLANTA FALCONS 7.
- DETROIT LIONS 38, DALLAS COWBOYS 6.

Conference Title Games

AFC

- DENVER BRONCOS (13-4) at BUFFALO BILLS (14-3): Sunday, Jan. 12, 12:30 P.M.

NFC

- DETROIT LIONS (13-4) at WASHINGTON REDSKINS (15-2): Sunday, Jan. 12, 4 P.M.

Super Bowl XXV

Minneapolis, Sunday, Jan. 26

Jeff Haynes/Agence France-Presse

Troy Aikman saddled up for the Cowboys, only to ride into the clutches of the Lions' Dan Owens.

Kramer Passes for 3 Touchdowns As Lions Flay the Cowboys, 38-6

By Timothy W. Smith
New York Times Service

PONTIAC, Michigan — The Silverdome is Wayne's World and it seemed ambitious on the part of the Dallas Cowboys to think that they were going to come in and rock it and at the same time sock it to the Detroit Lions, who had not lost a game here all season.

The Lions, playing with several starters gimpy with injuries, had a masterly game plan concocted by their coach, Wayne Fontes, and executed by some players who were not mainstays.

They turned back the Cowboys, 38-6, in front of a raucous crowd of 78,290 on Sunday afternoon to advance to the National Conference championship game against the Washington Redskins next Sunday in Robert F. Kennedy Stadium.

With the defense swarming all over the Cowboys' offense and quarterback Erik Kramer and receiver Willie Green seemingly operating on telepathy, Dallas had no chance.

The Cowboys stayed close in the first half, trailing by 17-6. But Detroit scored three touchdowns in the second half, two on passes from Kramer and one on a 47-yard run by Barry Sanders, who otherwise was bottled up most of the game.

Everyone figured that Detroit would have to rely on the magnificent feet of Sanders if the Lions were to have any chance of beating the Cowboys. But, with the Cowboys playing a soft zone coverage, with the cornerbacks lagging deep in the secondary and the safeties hugging the line of scrimmage to shut down Sanders, it was the passing feats of Kramer that carried the Lions to their first title game since 1957.

The Cowboys entered the game with a plan to stop Sanders, the NFL's second-leading rusher, and to stymie Kramer, a journeyman whose travels had taken him to the Canadian Football League and in 1987 to the Atlanta Falcons as a strike-replacement player.

Instead, Kramer ripped through the Cowboys' soft coverage, completing 18 of 22 passes for 195 yards and a touchdown in the first half. When it ended, Sanders had four carries for eight yards.

"Today was just something special," said Kramer, who took over Oct. 27 when Rodney Peete injured his Achilles tendon in the 34-10 victory over the Cowboys. "From the first series on, I was in that zone everyone hopes and dreams he can be in."

He added: "I really have to thank the coaches for staying with me. They never gave up on me. That meant a lot, especially this week, with all the insults that were coming up from Dallas."

On the Lions' first possession of the game, he completed passes of 11 yards to Herman Moore, 13 yards to Mike Farr and 13 yards to Willie Green before hitting Green on a 31-yard touchdown pass with 11 minutes, 29 seconds to play, making the score 7-0. All five of the plays on the 68-yard drive were passes by Kramer and the only incompletion was a short pass over the middle to Sanders.

The Cowboys did not deviate from what was expected of them. When you have the league's leading rusher, as Dallas does in Emmitt Smith, you run him. Smith picked up 69 yards on 12 carries in the first half, but all the Cowboys could get were two field goals by kicker Ken Willis.

Kramer cooled off after the first drive, but he continued to riddle Dallas's defense, mostly throwing underneath the coverage to Sanders and throwing short sideline patterns to his wide receivers.

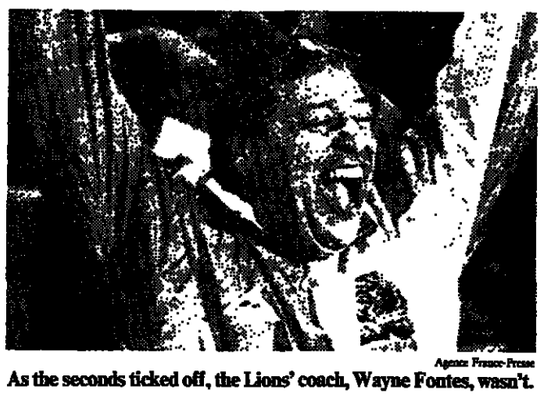
Then, the Lions' defense took charge. On the Cowboys' first possession of the second quarter, quarterback Steve Beuerlein threw a sideline pass to receiver Alvin Harper on a first-and-10 play from the Cowboys' 28. Cornerback Melvin Jenkins stepped in front of the pass and returned it 41 yards for a touchdown and a 14-3 lead.

When Eddie Murray's 36-yard field goal made it 17-6 with 27 seconds left in the half, the Cowboys' coach, Jimmy Johnson, had seen enough of Beuerlein, who was 7 of 13 for 91 yards and an interception. On the Cowboys' next possession, which started at their 32, Johnson replaced Beuerlein with Troy Aikman. It was the first action that Aikman had seen since straining a ligament in his right knee against the Redskins on Nov. 24.

He completed his first pass, an 11-yarder to tight end Jay Novacek. On the next play he was sacked by defensive end Jeff Hunter for a nine-yard loss. Then, he was intercepted by linebacker Chris Spielman to end the half. Those three plays were a microcosm of Aikman's day.

Kramer and the Lions put a severe crimp in the Cowboys' chances of coming back when Green caught a nine-yard touchdown pass with 1:19 to play in the third quarter, giving the Lions a 24-6 lead. On the seven-play, 80-yard drive, Kramer completed six of seven passes for 71 yards.

Linebacker Victor Jones recovered a fumble by Smith at the Cowboys' 27 to give Detroit the ball back a few seconds later and Kramer threw a seven-yard touchdown pass to Moore to make the score 31-6. It also made believers of the Cowboys.



Agence France-Presse

As the seconds ticked off, the Lions' coach, Wayne Fontes, wasn't.

Lions-Cowboys Statistics

Dallas	3	3	0	0—6
Detroit	7	10	14	7—38

First Quarter

Det—Green 31 pass from Kramer (Murray kick), 3:31.

Dal—FG Willis 28, 14:50.

Second Quarter

Det—Jenkins 41 interception return (Murray kick), 8:18.

Dal—FG Willis 28, 12:02.

Det—FG Murray 36, 14:33.

Third Quarter

Det—Green 9 pass from Kramer (Murray kick), 12:41.

Det—Moore 7 pass from Kramer (Murray kick), 14:46.

Fourth Quarter

Det—Sanders 47 run (Murray kick), 7:04.

	Dal	Det
First downs	16	27
Rushes-yards	22-97	16-84
Passing	179	337
Return yards	18	60
Comp-att-int	18-29-2	29-38-0
Sacked-yards lost	3-26	1-7
Punts	5-45	5-46
Fumbles-lost	3-2	0-0
Penalties-yards	3-19	4-39
Time of possession	30:21	29:39

INDIVIDUAL STATISTICS

RUSHING—Dallas, E.Smith 15-80, Agee 3-12, Johnston 1-3, Beuerlein 1-2, Aikman 2-0, Detroit, Sanders 12-69, Overton 3-17, Ware 1-(minus 2).

PASSING—Dallas, Beuerlein 7-13-1-91, Aikman 11-16-1-114, Detroit, Kramer 29-38-0-341, Ware 0-0-0-0.

RECEIVING—Dallas, Irvin 5-84, Harper 4-56, Novacek 4-55, Wright 1-7, Johnston 1-3, Awalt 1-2, E.Smith 1-2, Agee 1-(minus 4), Detroit, Green 8-115, Moore 6-87, Farr 5-62, Sanders 5-30, Perriman 3-18, Clark 2-29.

Rypien: A Star Who Runs on Brain Power as Well as Muscle Power

By Richard Justice
Washington Post Service

WASHINGTON — The last time Mark Rypien had faced the Atlanta Falcons, two months before, he had his best day, putting up numbers he may never touch again: six touchdown passes and 442 yards on only 16 completions in a 56-17 victory.

He didn't come close to that in the 24-7 divisional playoff victory over Atlanta, completing just 14 of 28 passes for 178 yards. He threw an interception and failed to throw a touchdown pass for only the fourth time this season. But it was one of those subtle days that reminded the Washington Redskins how good their quarterback has been. A year earlier, they doubted such a day would ever come.

With rain and wind making a big passing game impossible Saturday, Rypien was nonetheless close to brilliant at times. The Redskins stayed in the no-huddle offense most of the game because their coach, Joe Gibbs, knew Rypien could come to the line of scrimmage, see how the Falcons were lined up and take advantage of it.

Rypien's emergence as a star quarterback has come on many levels, but at no level more important than in his mental game.

"We knew this game would come down to not making turnovers, sustaining drives and making plays here and there," Rypien said, adding that "that's what we did. It was tough to hold onto the ball and it was tough to get a grasp on how to throw it. But this was a game where the people who held onto the ball were going to get the opportunities, and I think our guys understood that."

"Rip doesn't miss many things," Gibbs said. "You can throw almost anything at him, and he's smart enough to pick it up. Outside of toughness, the number one thing I'd like to have in a quarterback is for him to be smart. Rip is very smart."

The Redskins scored their first touchdown when Rypien spotted the blitz and changed the play to a draw, which Ricky Ervins turned into a 17-yard run. Rypien likewise set up their second touchdown by spotting a wrinkle in the Atlanta defense and calling for a pass to Ricky Sanders in a seam of the Atlanta zone. The play went for 26 yards to the 2-yard line, and on the next play Gerald Riggs scored.

The Redskins are one victory from their fifth Super Bowl, the fourth under Gibbs. If they defeat Detroit next Sunday in the NFC championship game, Gibbs will be the first coach to reach the Super Bowl with three different quarterbacks — Joe Theismann twice, Doug Williams once and Rypien.

Rypien admits now that the end of last season was the low point of his pro career. He threw three interceptions in a 28-10 loss to San Francisco, then had a five-hour flight home to think about it. The next day, Gibbs said publicly what he'd probably been thinking for months: He didn't know if the Redskins could get to the Super Bowl with Rypien.

At that point, Stan Humphries looked like a better-than-even bet to be the Redskins' starter in 1991, and Rypien's future was at best uncertain.

In the end, Gibbs never opened the job to competition. He showed no faith in Humphries, who he didn't believe worked hard enough. He wasn't sure what he had in Rypien, but was convinced that Rypien would work hard to get better and was capable of making plays. What Rypien hadn't done was stay healthy or make the plays consistently.

This season, he has at times played better than the Redskins ever thought possible. Against the Falcons, in terrible weather and with the Redskins convinced that turnovers would decide the day, the one interception was the only miscue.

And Rypien made some plays. With the Redskins leading by 14-7 in the third quarter, Rypien, with air-tight protection, completed an 18-yarder to Art Monk on the left sideline to put Chip Lohmiller in position for a 24-yard field goal and a 17-7 lead.

After Kurt Gouveia forced a fumble, the Redskins drove for the clinching score. Most of the yards came on the ground, but Rypien hit two big passes. He connected with Gary Clark for four yards on third and four, and to Clark for 12 on third and nine. Riggs scored on a one-yard run to make it 24-7.

Rypien probably won himself an award at Redskin Park with his head-on tackle of Tim McKyer after the interception by Brian Jordan, who lateraled the ball to McKyer, who was drilled by Rypien.

"You're already mad about the interception," Rypien said. "Then they start tossing the ball around, and you get even madder. The only way you can take it out on someone is by trying to make the tackle."

Rypien: From smarting to smart.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

	W	L	Pct	GB
Atlantic Division				
New York	20	9	.690	—
Boston	19	12	.613	2
Miami	15	18	.455	7
Philadelphia	14	18	.438	7½
Washington	12	19	.387	9
New Jersey	11	20	.355	10
Orlando	6	24	.200	14½
Central Division				
Chicago	25	5	.833	—
Cleveland	21	9	.700	4
Milwaukee	16	14	.533	9
Detroit	17	15	.531	9
Atlanta	15	15	.500	10
Indiana	13	19	.406	13
Charlotte	9	24	.273	17½

WESTERN CONFERENCE

	W	L	Pct	GB
Midwest Division				
Utah	21	12	.636	—
Houston	17	14	.548	3
San Antonio	16	14	.533	3½
Denver	13	17	.433	6½
Dallas	12	19	.387	8
Minnesota	5	24	.172	14
Pacific Division				
Golden State	21	8	.724	—
Portland	20	11	.645	2
Phoenix	19	13	.594	3½
L.A. Lakers	18	13	.581	4
Seattle	16	14	.533	5½
L.A. Clippers	17	16	.515	6
Sacramento	9	21	.300	12½

SUNDAY'S RESULTS

Phoenix	26	16	35	22	6—104
New York	28	17	30	35	5—105

Johnson 7-16 9-9 23, Hornacek 6-13 4-4 17; Ewing 15-35 7-13 37, McDaniel 7-19 2-2 16, Starks 6-12 3-3 16. Rebounds—Phoenix 56 (Perry 11), New York 54 (Ewing 13). Assists—Phoenix 22 (Johnson 11), New York 25 (Jackson 13).

Philadelphia	21	22	28	30—102
Portland	25	31	31	28—115

Anderson 10-18 3-3 22, Barkley 8-14 4-8 21, Robinson 9-15 4-6 22, Porter 7-11 4-5 20. Rebounds—Philadelphia 44 (Gilliam 11), Portland 47 (Kersey 6). Assists—Philadelphia 21 (Grant 7), Portland 36 (Porter 11).

Miami	27	26	33	25—111
L.A. Lakers	35	31	27	28—121

Long 10-12 3-4 23, Seikaly 7-13 7-9 21; Worthy 15-26 5-5 33, Perkins 8-13 1-1 17. Rebounds—Miami 47 (Seikaly 10), Los Angeles 48 (Green 11). Assists—Miami 22 (S.Smith 8), Los Angeles 34 (Threatt 10).

Major College Scores

Siena 95, Canisius 90, OT
Fairleigh Dickinson 82, St. Francis, Pa. 60
George Washington 87, St. Bonaventure 76
Niagara 67, Fairfield 62
Georgia Tech 92, Maryland 67
DePaul 125, Loyola Marymount 93
Texas-El Paso 68, Texas Tech 62
Arizona 79, Santa Clara 60

TRANSACTIONS

BASEBALL
American League

CHICAGO—Exercised 1992 options of Donn Pall, pitcher, and Lance Johnson, outfielder.

MINNESOTA—Agreed to terms with Luis Quinones, infielder, on minor-league contract with Portland, Pacific Coast League.

TEXAS—Agreed to terms with Jeff M. Robinson and Jeff Sellers, pitcher, on minor-league contracts with Oklahoma City, American Association.

National League

ATLANTA—Agreed to terms with Ben Rivera, pitcher, on one-year contract.

PITTSBURGH—Agreed to terms with Cecil Espy, outfielder, on one-year contract; Espy accepted assignment to Buffalo, AA.

ST. LOUIS—Signed Scott Terry, pitcher, to one-year contract.

BASKETBALL
National Basketball Association

ORLANDO—Put Otis Smith, guard-forward, on injured list. Signed Chris Corchiani, guard.

FOOTBALL
National Football League

BUFFALO—Activated Don Beebe, wide receiver, from injured reserve.

DETROIT—Put Jeff Campbell, wide receiver, on injured reserve. Activated Aubrey Matthews, wide receiver, from injured reserve.

HOCKEY
National Hockey League

CHICAGO—Recalled Mike Stapleton and Sean Williams, centers, from Indianapolis, International Hockey League. Sent Dan Vincelette, left wing, to Indianapolis.

HARTFORD—Reinstated Chris Govedaris, left wing, from suspended list and assigned him to Springfield, American Hockey League.

COLLEGE

FLORIDA INTERNATIONAL—Mike Hanks, assistant basketball coach, resigned to become coach of Caracas Crocodiles, Venezuelan Professional League.

HOLY CROSS—Named Peter Vaas football coach.

LAMAR—Gary Gollup, athletic director, resigned.

NEW MEXICO—Named Fred Biehl football defensive coordinator.

NORTH TEXAS—Extended contract of Dennis Parker, football coach, through 1994 season.

NORTHWESTERN—Named Kevin Ramsey defensive line coach and Mike DeBord offensive line coach.

PENN—Named Al Bagnoli football coach.

SOUTHWEST TEXAS STATE—Named Richard Hannon athletic director.

TEXAS CHRISTIAN—Named Pat Sullivan football coach, Reesie Herring defensive coordinator.

CRICKET

THIRD TEST
Australia vs. India, Final Day
Monday, in Sydney

Australia 1st innings: 313
India first innings: 483
Australia 2d innings: 173-8
Match was drawn

Pakistan vs. Sri Lanka, Fourth Day
Monday, in Faisalabad, Pakistan

Pakistan 1st innings: 227
Sri Lanka 1st innings: 248
Pakistan 2d innings: 95-4
Sri Lanka 2d innings: 165

HOCKEY

NHL Standings

WALES CONFERENCE

	W	L	T	Pts	GF	GA
Patrick Division						
Washington	26	13	3	55	184	139
NY Rangers	26	15	1	53	160	128
Pittsburgh	23	14	4	50	189	151
New Jersey	20	14	6	46	152	117
NY Islanders	13	20	6	32	145	165
Philadelphia	12	19	7	31	107	131
Adams Division						
Montreal	27	14	2	56	136	93
Boston	18	17	5	41	139	143
Hartford	15	18	5	35	121	134
Buffalo	13	20	4	32	123	148
Quebec	11	24	5	27	127	160

CAMPBELL CONFERENCE

	W	L	T	Pts	GF	GA
Norris Division						
Detroit	25	11	4	54	164	127
St. Louis	18	15	7	43	140	134
Chicago	17	17	9	43	147	138
Minnesota	17	18	3	37	122	131
Toronto	10	27	5	25	109	159
Smythe Division						
Vancouver	22	12	7	51	145	122
Winnipeg	17	17	8	42	127	122
Calgary	17	18	5	39	147	140
Los Angeles	16	16	7	39	144	151
Edmonton	14	20	6	34	145	159
San Jose	9	29	3	21	101	173

SUNDAY'S RESULTS

Calgary	1	1	1—3
Edmonton	0	1	1—2

Ronning (13), Roberts (24), Fleury (22); Kitma (13), Damphousse (21). Shots on goal: Calgary (on Foster) 7-3-11—21, Edmonton (on Vernon) 3-9-7—21.

Minnesota	0	1	1—2
Chicago	1	2	1—4

Dahlen (18) 2; Brown (6), Larmer (28), Roenick (32) 2, Goulet (16). Shots on goal: Minnesota (on Belfour) 8-6-14—28, Chicago (on Casey) 5-18-8—31.

SIDELINES

Flores to Also Coach NFL Seahawks

KIRKLAND, Washington (AP) — Tom Flores, who coached the Oakland and Los Angeles Raiders to two Super Bowl victories in the 1980s, Monday replaced Chuck Knox as coach of the Seattle Seahawks. Flores was the Seahawks' president and will remain the general manager.

Knox, midst reports of friction this season, resigned Dec. 27 after nine seasons as coach of the Seahawks, who were 7-9 in 1991. He may be named coach of the Los Angeles Rams, a team he coached during the 1970s, this week.

Flores, 54, quit in 1987 after nine seasons as the Raiders' coach. He has been president and general manager of the Seahawks since Feb. 22, 1989, when the team's owner, Ken Behring, fired Mike McCormack.

Baseball Bucs Fire General Manager

PITTSBURGH (AP) — The Pittsburgh Pirates on Monday fired their general manager, Larry Doughty, under whom the baseball team won two National League East championships.

The Pirates said in a written statement that Doughty has been "relieved of his duties" as the team's senior vice president and general manager of baseball operations. A team spokesman, Jim Lachima, declined to say why Doughty was fired.

Coventry Fires Manager Butcher

LONDON (Reuters) — Terry Butcher of Coventry became English soccer's first managerial casualty of 1992 on Monday after the club said he refused to accept a revised non-playing contract.

Butcher, 33, was signed from the Glasgow Rangers as player-manager in November 1990. But Coventry, in the lower half of the first division, wanted him to sign a new manager-only contract because a knee injury had restricted him to just seven games for them.

Quotable

●Oregon State freshman guard Kareem Anderson, explaining his first name: "My dad likes basketball."

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ART BUCHWALD

The Joneses' Last Stand

WASHINGTON — The fad watchers have predicted that "keeping up with the Joneses" will no longer be in style. The recession is causing more and more people to cease competing with their neighbors in the struggle for status and the American dream.

The last ones to hear the news were the Jones family. They drove my wife and me crazy during the '80s, and I couldn't wait to go across the street and tell them that I was dropping out of the competition.

Buchwald

It didn't surprise me to find a new Jaguar convertible in their driveway. Jones, smug as always, said, "I bought it off the floor. Why don't you take a spin in it?"

□

"I'd rather not. We are toying with the idea of buying either a Ford Escort, a Geo or a second-hand Korean Hyundai, depending on which one impresses people the least."

"You're planning to park one of those on our street!"

"Jones, haven't you heard? Affluence is out, and splurging on luxuries is in poor taste. No one is impressed any more with your material possessions."

Jones wanted to make sure that I wasn't pulling his leg. He yelled, "Martha, get in here. The recession has hit the fan."

Martha Jones came in wearing her Givenchy housecoat and black pearls from Tiffany. "What on earth are you shouting about? I was just on the phone booking our condo in Aspen. Where are you going for January?" she asked me.

"I don't have to go anywhere, Martha. The word is out that until the economy picks up we don't need to keep up the Joneses."

□

I couldn't have done more damage unless I had squirted her Elizabeth Arden hair with a bottle of Dom Perignon champagne.

"But," she cried, "everyone keeps up with us. We're trend-setters. We were the first to have a TV set in our hot tub. We introduced gazebos to Wesley Heights. We went to Sardinia before anyone had even heard of it, and we had the first basement pistol range in Washington."

"Don't think we are not grateful," I assured them. "But during a recession it's every man for himself. We can't follow you people just because you are constantly showing off."

He said, "America was built on keeping up with the Joneses. The people who followed our lead were the ones who made this land a paradise. If you think that there will be any economy left in this country if you go it alone, then you are barking up the wrong bonsai tree."

"What choice do I have?" I said. "Everyone has to cut back. There couldn't be a better place to start than forgetting about you two."

Jones responded, "Does this mean that you are not going to build a marble indoor swimming pool off the sun room as you had planned?"

□

"Yes, it does, Jones. Just because you have done it doesn't mean I have to."

"I'm not surprised. Most of the neighbors suspected that you were too cheap to build one."

"That's unfair. Nothing you say can convince me that I have to keep up with you any more."

"People always make those kind of statements at the start of a recession, but they eventually follow the Joneses because if they don't they have nothing to live for."

'Life Is Sweet' Wins U. S. Critics' Awards

New York Times Service

NEW YORK — "Life Is Sweet," Mike Leigh's gastronomic view of family life in an English suburb, was voted the best film of 1991 by the National Society of Film Critics, a 35-member group from major U. S. cities. Alison Steadman and Jane Horrocks, who play a mother and daughter in the film, were voted best actress and best supporting actress, respectively.

River Phoenix was voted best actor for his performance in "My Own Private Idaho," and Harvey Keitel was named best supporting actor for roles in three films: "Bugsy," "Thelma and Louise" and "Mortal Thoughts."

Taiwanese Top 40 Radio, American Style

By Nicholas D. Kristof
New York Times Service

TAIPEI — Tune to 100 on your FM dial some bleary morning in Taiwan, and you might think that unusual atmospheric conditions had somehow brought in a California radio station.

There's an American disk jockey bantering and joking along in English, and Madonna and Michael Jackson compact disks, and telephone requests for more American Top 40 songs — and then along comes the traffic report and gives it away. It's not the Hollywood Boulevard that is backed up, but Chien-kuo north road.

The station is ICRT — short for International Community Radio Taipei — and its popularity is indicative of Taiwan's fascination with the English language and Western culture.

While perhaps it is not surprising that an English-language radio station could survive in a society where learning English is an obsession and 53 percent of cabinet ministers have degrees from American universities, the remarkable thing about ICRT is that it not only survives but is also one of the most popular radio stations on the island.

Radio audience surveys are ambiguous on which is No. 1, but 10 percent of Taiwan's 20 million people listen to ICRT, and this may be more than tune in to any other single frequency on Taiwan.

Few places in the world are as receptive to foreign influences as Taiwan, where it is common for people to call one another by their English names as they spend an evening singing American songs in a Japanese karaoke bar after a dinner at McDonald's.

"This country is like a fighter who isn't too heavy and can move left or right very easily," said Michael Woodward, an American who is ICRT's acting program director. "It is absorbing all the dynamics from East and West, and this is a great advantage."

Americans like Woodward who work at ICRT can easily become famous on Taiwan, particularly if they speak Chinese. Surveys have found that half of Taiwan's 10 best-known radio disk jockeys are Americans at ICRT, and some — like Patrick Steel, a Haitian-American who speaks both Mandarin Chinese and Taiwan dialect — are among the island's foremost celebrities.

ICRT began in the 1950s as a radio station for American servicemen in Taiwan, but the troops left after the United States recognized mainland China in 1979.

Now there are still 30,000 registered foreigners living in Taiwan, and probably at least as many live here quietly on tourist visas, teaching English or holding odd jobs, but 97 percent of ICRT's listeners are Chinese.

Reuters

Music show host Ingrid Wu and Michael Woodward, acting program director for ICRT in Tapai.

"People like to listen to ICRT because they want to practice their English, and because it's got good programming," said Jaw Shau-kong, the American-educated head of Taiwan's Environmental Protection Administration.

Another factor is that it's simply very fashionable to be seen listening to ICRT, because it implies a relaxed familiarity with American culture. For the same reason, many Chinese here and in Hong Kong pick English names for themselves — sometimes disastrous ones, like Kitty Chow — even if they scarcely speak any English.

"It's kind of a hobby for yuppies to listen to ICRT," said Tina Ma, ICRT's public relations director. She is one of 97 staff members, of whom 40 are foreigners.

The fascination with American culture is apparent everywhere in Taiwan. There are two English-language daily newspapers in Taipei, more than in most American cities. American films are frequently shown on television and in movie theaters, with subtitles but not dubbed. Language schools are everywhere, and enormous numbers of children go to English-language classes in the evenings.

In addition, the latest fashion in Chinese-language songs is to throw a few English words in the lyrics, as a linguistic spice.

Some people here believe that Taiwan's enthusiasm for Western culture reflects a profound insecurity and rootlessness, shaped by uncertainty about whether Taiwan is fundamentally China or an independent country.

Compounding this identity crisis, they say, is a low-level but constant worry that the Chinese mainland may some day carry out its threats to attack Taiwan.

In any case, Chinese here seem to admire America not only as an escape route but also for its popular culture, business opportunities and graduate schools.

Many students want to perfect their English so they can study abroad, and no qualification is revered more in Taiwan than an American Ph. D.

These American-educated officials have not always been noted for their tolerance, and there are periodic accusations that the government stifles ICRT and other broadcasters. When three ICRT journalists were dismissed in 1991, there were widespread accusations that the reason was that they had offended the government with aggressive reporting.

"I wanted to be a reporter, not a stenographer," said George E. Wehrfritz, one of the journalists who was dismissed. Wehrfritz said his problems had arisen because he covered the opposition as well as the ruling Nationalist Party, and he has sued ICRT for breach of contract.

Nelson Chang, a businessman who is a member of the board of directors, denied any censorship. He said the problem was principally financial: to control costs, staff levels had to be cut, and he notes that business as well as news positions were eliminated.

While some reporters chafe at the station's close links to Taiwan's business and political establishment, other Americans find ICRT and Taiwan a most congenial home. Charles S. Gravitt, the news director, who uses the radio name Doc Casey, was a television reporter in Hawaii when he was hired to come to Taipei to work for ICRT in 1989.

"I was terrified because I spoke no Chinese," Gravitt said. "But I came and found pizza parlors and 7-Elevens and felt very comfortable."

Prodded by his work partners, Gravitt acknowledged that his engagement to a Taiwan woman has also helped him adjust to the culture. "I have no plans to leave," he said.

PEOPLE

Marcos Ex-Aide Relates Last Days, in New Book

The former Philippine president Ferdinand Marcos was a compulsive pill-taker befuddled by prescribed drugs and undergoing regular kidney dialysis when he was overthrown in 1986, a new book says. Written by Colonel Arturo Arniza, a Marcos aide for 21 years, the book entitled "Ferdinand E. Marcos, Malacanang to Makiki" says that Marcos's only son, Ferdinand Jr., donated one of his kidneys for transplant in August 1983. Marcos's body rejected the organ after 48 hours, it says, and another kidney, from a nephew, transplanted 15 months later, functioned for four years before collapsing in 1989, just before Marcos died, the book says. The book, published in Manila, describes how aides destroyed documents, packed jewels and money, and gave their ailing chief a last, sad salute as he left the palace just before mobs overran it, ending his 20-year rule. The book asserts that Washington was involved in the anti-Marcos revolt and quotes Marcos as saying, while the rebellion was in progress, "the Americans are in on this."

□

The film director Alan Parker, 47, was divorced Monday from his wife of 25 years. The London Divorce Court granted Anne Parker, 49, an uncontested divorce on grounds of her husband's adultery. They were married in July 1966. Parker's hit films include "Bugsy Malone," "Fame," "The Commitments" and "Midnight Express."

□

The widow of former Indonesian president Sukarno was arrested at a ski lodge in Aspen, Colorado on charges that she slashed a fellow party guest with a champagne glass. Ratna Sari Dewi Sukarno, 51, was charged with second-degree assault and freed on $5,000 bond, police said. Aspen Valley Hospital identified the victim as Victoria M. Ossuena, 43, of New York City. She was released after receiving 37 stitches in her face.

□

Elizabeth Tilberis has been named editor of Harper's Bazaar in New York. The appointment of Tilberis, until now editor in chief of British Vogue, reinforces the British accent in American magazines with Tina Brown, editor of Vanity Fair, and Anna Wintour, of Vogue.

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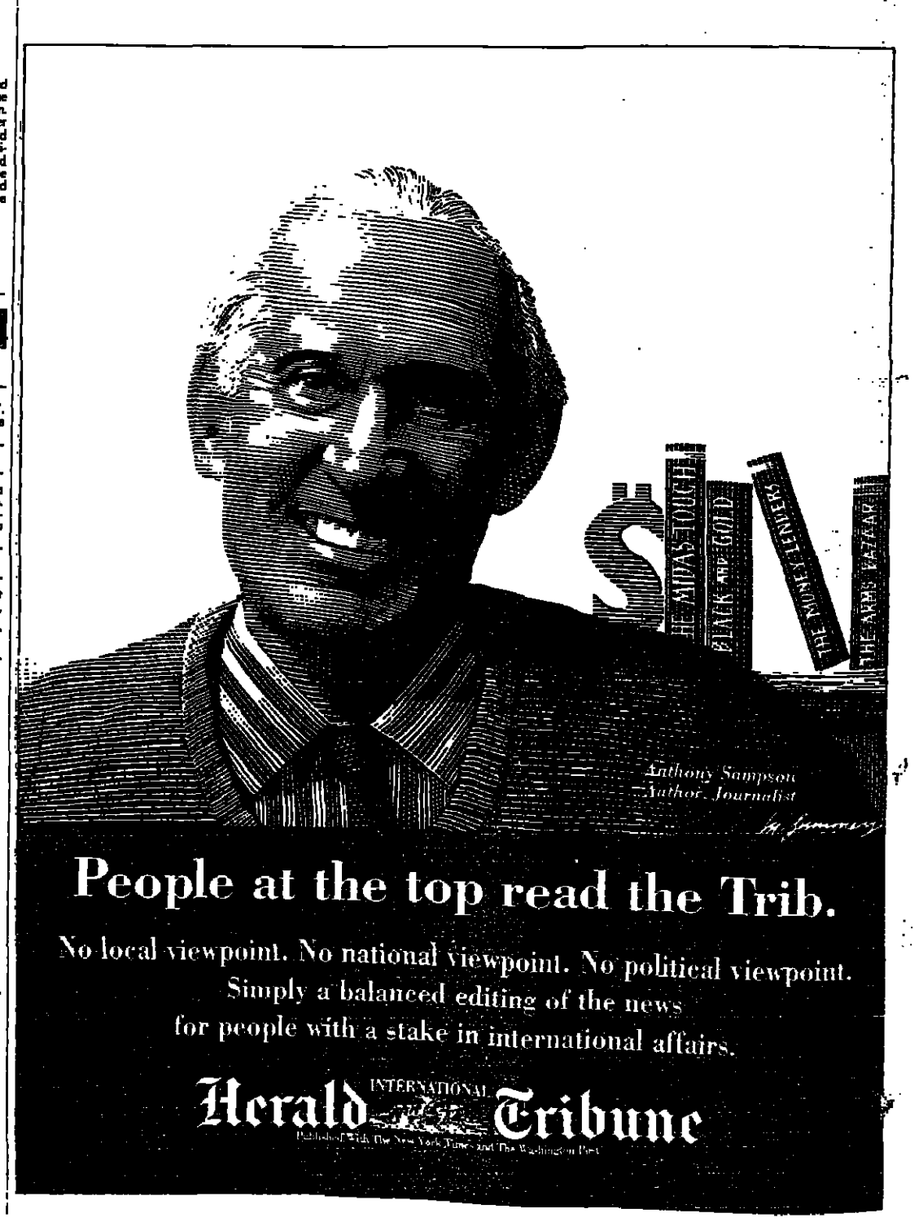

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